

# ***Feedforce*** **Group Inc.**

## **Financial Results for the 1st Quarter of Fiscal Year Ending May 31, 2022**

**(Our Business Plan and Growth Potential)**

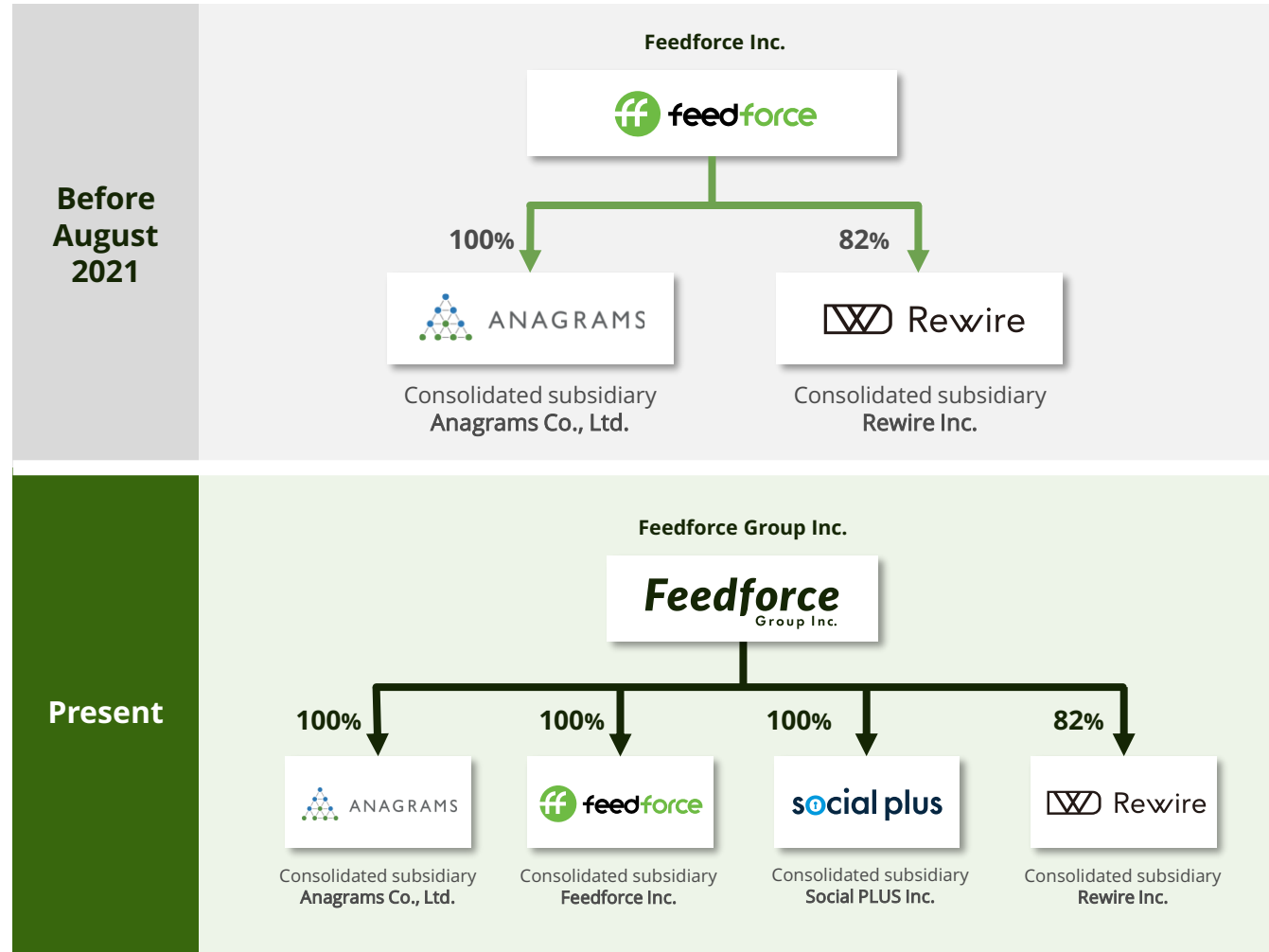
**September 30, 2021**

# Table of contents

01	Financial Result Highlight	2
02	Our Business Plan and Growth Potential	14
	Business Model	15
	Market Environment	32
	Source of competitiveness	37
	Our Business Plan	40
	Risk Information	60
	Appendix	63



# Group Relationship Diagram



**Transit to a pure holding company structure as at September 1, 2021.**

# FY2022 Q1 Summary of Results

(millions of yen)

	FY2021 Q1 Consoli dated	FY2021 Q2 Consoli dated	FY2021 Q3 Consoli dated	FY2021 Q4 Consoli dated	FY2022 Q1 Consoli dated	YoY	QoQ
<b>Transaction Amount</b>	2,188	2,361	3,107	3,363	<b>2,868</b>	+31.0%	△14.7%
<b>Revenue</b>	551	594	713	727	<b>672</b>	—	—
<b>Revenue</b> (After retroactive revenue recognition in FY2021/5)	524	568	680	727	<b>672</b>	+22.0%	△7.6%
<b>EBITDA</b> ※	169	229	325	334	<b>293</b>	+72.7%	△12.4%
<b>Operating Income</b>	128	187	282	291	<b>250</b>	+95.7%	△14.0%
<b>EBT</b>	120	185	279	289	<b>242</b>	+101.5%	△16.2%
<b>Profit attributable to shareholders of parent</b>	27	110	173	160	<b>154</b>	+454.1%	△3.8%

## Consolidated Results

**Revenue and operating income increased YoY.**

**Revenue and operating income decreased QoQ.**

**Posted an extraordinary loss of 8 million yen on valuation of investment securities.**

※ EBITDA = Operating Income + Depreciation + Amortization

# FY2022 Q1 Summary of Segment Results

(millions of yen)

	FY2021 Q1 Consoli dated	FY2021 Q2 Consoli dated	FY2021 Q3 Consoli dated	FY2021 Q4 Consoli dated	FY2022 Q1 Consoli dated	YoY	QoQ
<b>PS*</b>							
<b>Revenue</b>	411	450	556	562	<b>503</b>	—	—
<b>Revenue</b> <small>(After retroactive revenue recognition in FY2021/5)</small>	384	424	523	562	<b>503</b>	+22.2%	△10.5%
<b>Operating Income</b>	107	160	250	272	<b>227</b>	+111.3%	△16.6%
<b>SaaS</b>							
<b>Revenue</b>	139	144	157	160	<b>166</b>	+19.7%	+3.8%
<b>Operating Income</b>	25	37	50	41	<b>62</b>	+144.2%	+49.8%
<b>DX</b>							
<b>Revenue</b>	—	—	0	4	<b>2</b>	—	△65.5%
<b>Operating Income</b>	△5	△10	△17	△22	<b>△39</b>	—	—

## PS

**Revenue and operating income decreased in QoQ.**

## SaaS

**Revenue and operating income increased in QoQ.**

## DX

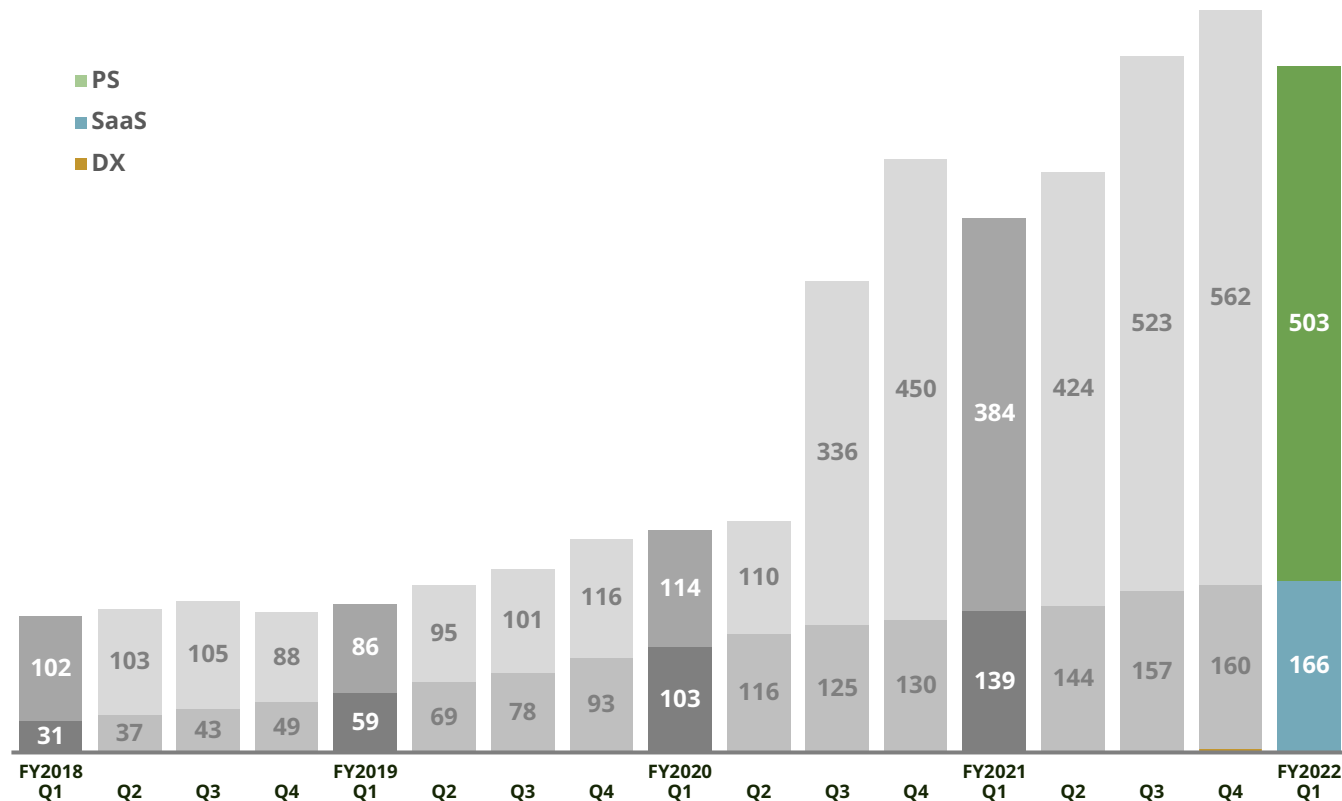
**Revenue from Shopify application, etc. was recorded.**

\* PS stands for Professional Services Business.

# Quarterly Revenue Trend (After retrospective application of revenue recognition standard)

(millions of yen)

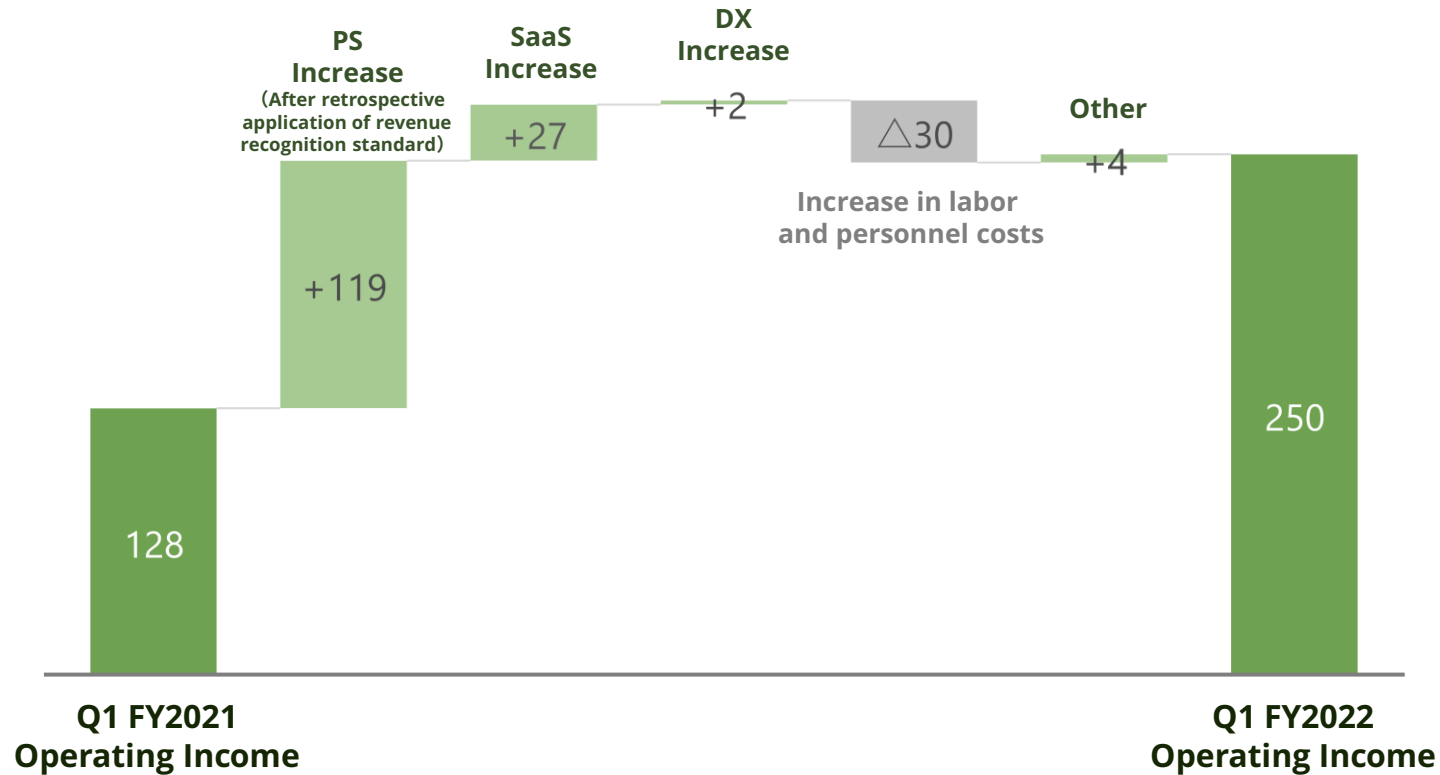
**SaaS business continues to grow in revenue.**



# FY2022 Q1 Increase/ decrease in operating income (YoY)

(millions of yen)

YoY increase in revenue in each business segment contributed to the increase in operating income.

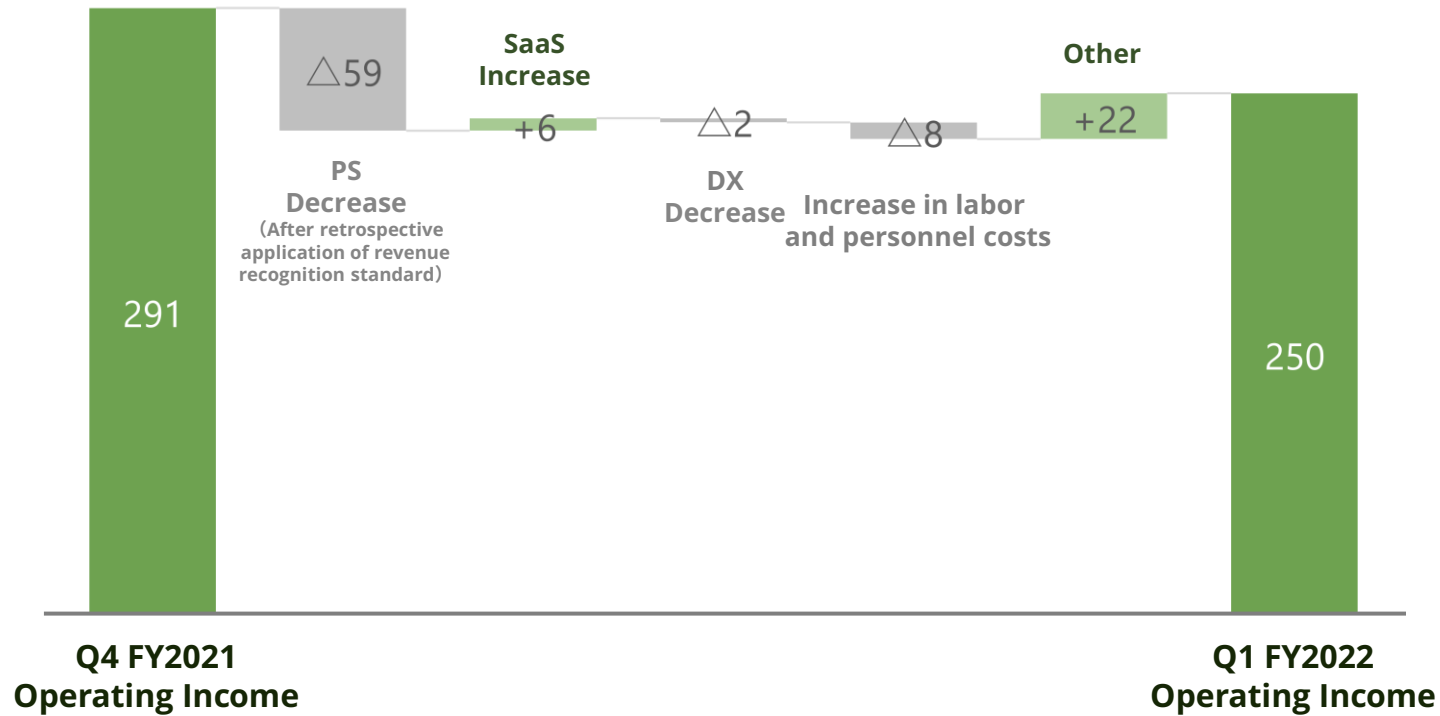




# FY2022 Q1 Increase/ decrease in operating income (QoQ)

(millions of yen)

Operating income decreased in QoQ due to lower sales in PS business.



# Revenue Breakdown by Service

(millions of yen)

	FY2021 Q1 Consoli dated	FY2021 Q2 Consoli dated	FY2021 Q3 Consoli dated	FY2021 Q4 Consoli dated	FY2022 Q1 Consoli dated	YoY	QoQ
<b>PS</b>	411	450	556	562	<b>503</b>	+22.2%	△10.5%
<b>Anagrams</b>	307	338	422	431	<b>372</b>	+21.1%	△13.6%
<b>Feedmatic</b>	60	67	86	81	<b>84</b>	+38.7%	+3.5%
<b>DF PLUS</b>	37	38	44	46	<b>43</b>	+17.9%	△6.7%
<b>Other</b>	6	6	3	2	<b>2</b>	△59.3%	△4.4%
<b>SaaS</b>	139	144	157	160	<b>166</b>	+19.7%	+3.8%
<b>EC Booster</b>	18	13	15	13	<b>13</b>	△27.5%	△2.2%
<b>dfplus.io</b>	37	41	46	48	<b>50</b>	+36.5%	+4.3%
<b>Social PLUS</b>	83	89	95	98	<b>102</b>	+22.8%	+4.3%
<b>DX</b>	—	—	0	4	<b>2</b>	—	△65.5%

PS

**Revenue decreased by 10.5% in QoQ.**

SaaS

**Revenue grew 19.7% in YoY.  
Revenue grew 3.8% in QoQ.**

# Operating expenses

(millions of yen)

	FY2021 Q1 Consoli dated	FY2021 Q2 Consoli dated	FY2021 Q3 Consoli dated	FY2021 Q4 Consoli dated	FY2022 Q1 Consoli dated	YoY	QoQ
<b>Operating Expenses</b>	423	407	431	436	<b>421</b>	△0.3%	△3.3%
<b>Cost of sales</b>	203	203	213	182	<b>192</b>	△5.5%	+5.4%
<b>Labour costs</b>	145	146	150	148	<b>163</b>		
<b>Expenses</b>	58	57	63	34	<b>29</b>		
<b>SG&amp;A expenses</b>	219	203	217	253	<b>229</b>	+4.6%	△9.6%
<b>Personnel Fee</b>	109	104	113	128	<b>122</b>		
<b>Expenses</b>	109	98	104	124	<b>107</b>		
R&D expenses	6	7	10	14	<b>5</b>		
Tuition Fee	6	5	5	11	<b>3</b>		
Moderate promotion cost	4	1	4	5	<b>5</b>		
Depreciation	29	29	30	30	<b>30</b>		
Goodwill	11	11	11	11	<b>11</b>		
Other	50	42	42	51	<b>51</b>		

**Labor and personnel costs are on the rise as the DX business expands.**

# Financial Position

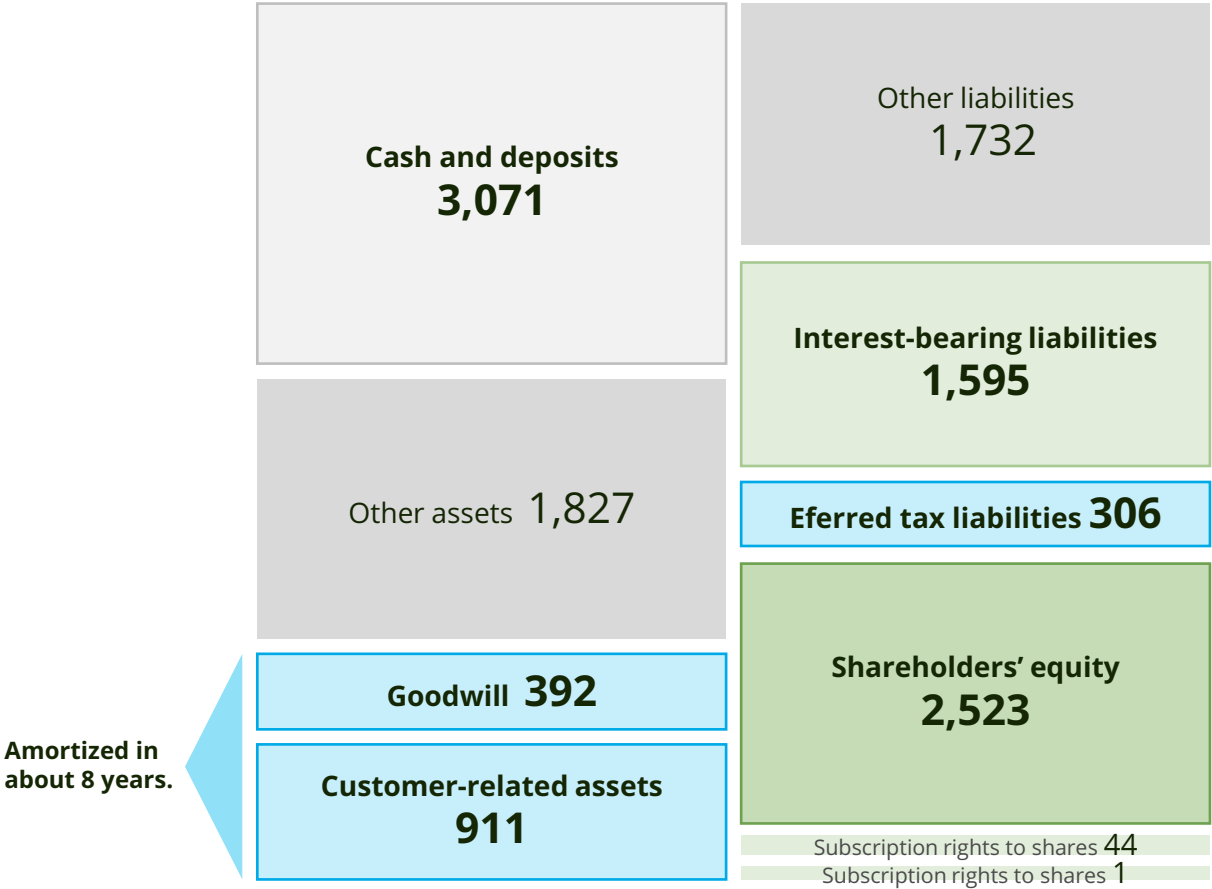
(millions of yen)

	FY2017 Non-Consoli Dated	FY2018 Non-Consoli Dated	FY2019 Non-Consoli Dated	FY2020 Consoli Dated	FY2021 Consoli Dated	FY2022 Q1 Consoli Dated	QoQ
<b>Current assets</b>	394	320	426	3,528	4,915	<b>4,597</b>	△318
<b>Non-current assets</b>	28	25	44	1,690	1,552	<b>1,606</b>	+53
<b>Total assets</b>	422	345	470	5,219	6,467	<b>6,203</b>	△264
<b>Current liabilities</b>	205	192	322	1,370	2,255	<b>1,902</b>	△352
<b>Non-current liabilities</b>	134	99	50	2,018	1,810	<b>1,731</b>	△79
<b>Total liabilities</b>	339	291	373	3,389	4,065	<b>3,634</b>	△431
<b>Shareholders' equity</b>	83	54	97	957	2,366	<b>2,523</b>	+156
<b>Subscription rights to shares</b>	—	—	—	—	32	<b>44</b>	+11
<b>Non-controlling interests</b>	—	—	—	872	2	<b>1</b>	△0
<b>Total net assets</b>	83	54	97	1,829	2,401	<b>2,568</b>	+167

**Fixed assets increased due to the acquisition of investment securities (Huckleberry shares).**

# Breakdown of Financial Position (As of August 31, 2021)

(millions of yen)



Cash and deposits were 3,071 million yen.

Intangible fixed assets totaled 1,304 million yen.

Interest-bearing liabilities was 1,595 million yen.

Shareholders' equity was 2,523 million yen.

# Forecast of the Ratio of Circulating shares



**We aim to achieve circulating share ratio to 35% or more by around May 2024.**

\*The number of shares traded in relation to the number of listed shares (the number of shares excluding "the number of shares held by shareholders who own 10% or more of the listed shares," "the number of shares held by directors and officers," "the number of treasury shares," "the number of shares held by special interested parties other than directors and officers," "domestic banks, insurance companies, and business corporations," and "the number of other shares deemed fixed").







## 02

Our Business Plan and Growth Potential

Business Model



# (1) Business Description Main services and revenue structure

	PS	SaaS	Pricing structure
Ad Management	Listings, etc. 		Constant rate of advertising costs
	Data Feed 		
Data Feed Operations			Monthly Fixed
Social Login			

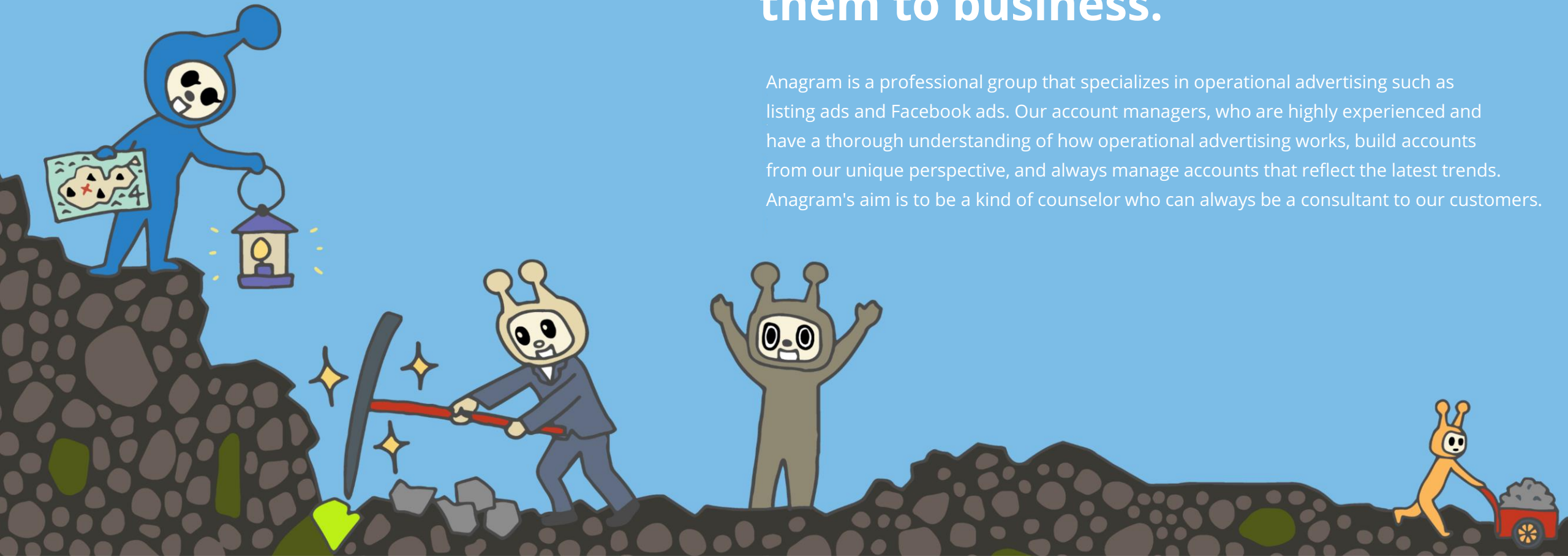
Ad management services earn a certain rate based on the amount of advertising placed each month.



ANAGRAMS

# An accompaniment who uncovers the hidden charms of a company and connects them to business.

Anagram is a professional group that specializes in operational advertising such as listing ads and Facebook ads. Our account managers, who are highly experienced and have a thorough understanding of how operational advertising works, build accounts from our unique perspective, and always manage accounts that reflect the latest trends. Anagram's aim is to be a kind of counselor who can always be a consultant to our customers.





What we want to achieve is **to unearth the hidden charms of a company that even the clients themselves are not aware of and make their business successful.**

We want to be a partner that supports our clients in every way possible to help them succeed in their business, not just in the operation of managed advertising.

— Anagram Features and Strengths —

Marketers are overwhelmingly strong in operational advertising.



Able to consult with the entire business and the entire market.



An integrated system that does not separate sales and operations.



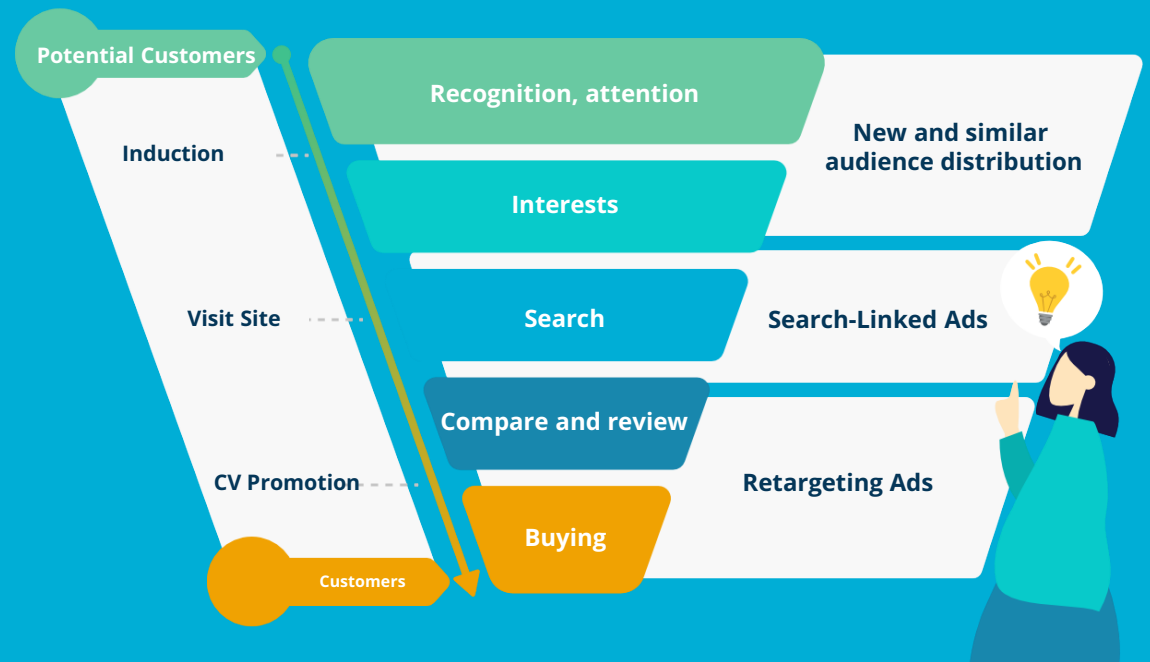
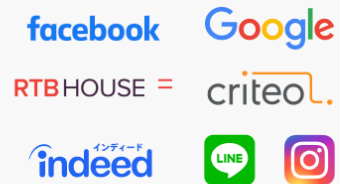
# •|| feedmatic

Utilizing FeedForce's expertise in Data Feed, we are particularly good at digital marketing utilizing digital assets in EC, retail, human resources, and real estate.

## Feed & Tag Optimization

- Feed Building
- Tag building
- Using APIs
- Etc.

## Campaign Optimization



Feedmatic proposes the optimal media, distribution design, and overall funnel strategy to match your KPIs by combining a wide range of advertising, including listing advertising, static advertising, and the latest advertising menus, with a focus on Data Feed advertising.

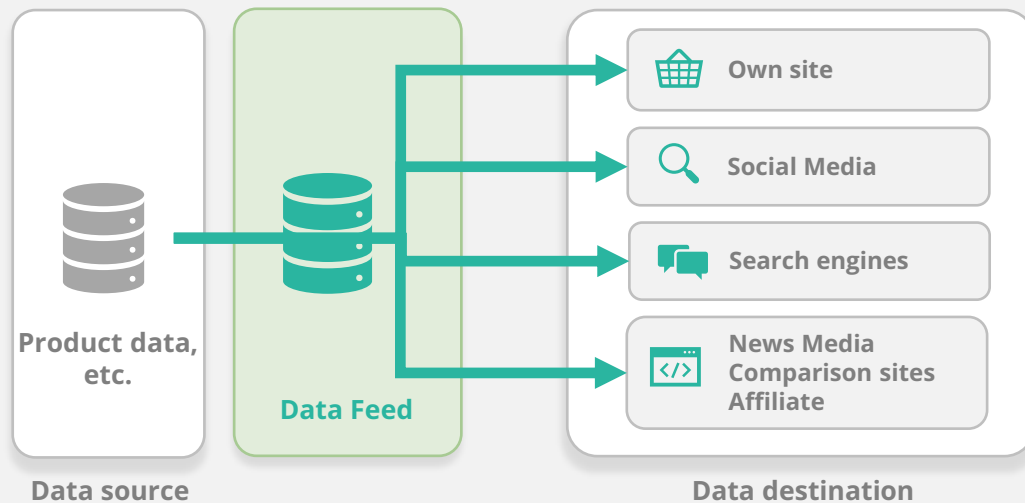
# DF PLUS

## Outsourced services for Data Feed operations

The company provides a dedicated feed distribution system and feed creation services and support, which are costly to develop in-house.

### What is a Data Feed?

A system for periodically sending and receiving updated data such as product data from the sender ( Advertiser, etc.) to the receiver ( Advertising media, etc.) on the Internet.



### Example of Data Feed Advertising

Three examples of data feed advertising are shown:

- Google Shopping Ads:** A screenshot of a Google search results page showing product listings for watches.
- Facebook Dynamic Ads:** A screenshot of a Facebook post showing a carousel of car images.
- Criteo Dynamic Retargeting Ads:** A screenshot of a Criteo ad showing three different styles of shoes with prices: ¥11,980, ¥7,800, and ¥5,890.



Get your products listed on Google in as little as five minutes, completely free of charge.

Automatic operation service for Google Shopping Ads and Free Listings



# ecbooster

Get your products listed on Google in as little as five minutes, completely free of charge.

## What is EC Booster?

"EC Booster" is a service that automates the process of attracting customers, targeting small and medium-sized E-Commerce businesses. Currently, we are automating the posting and operation of "Google Free Listings" and "Google Shopping Ads". EC businesses can easily post their special products in the prime Google search locations.



### Easy submission and automatic operation functions



With as little as five minutes of initial setup, you can automatically submit advertisements from your E-commerce site. There is no need for operational effort. Fully automated handling of difficult screening and other tasks. Daily operations are also fully automated, so you can rest assured.

### Submission status notification



It will automatically notify you if there are any products that are not listed on Google. If your ad is disapproved by Google, we'll show you how to deal with it, so you can make improvements in the system right away and minimize lost opportunities!

### Improvement card function



This function provides "advice on improving product data" based on EC Booster's vast experience in ad serving and product placement. We provide successful Know-how on how to improve product information that can improve usability, as successful e-commerce sites always do.

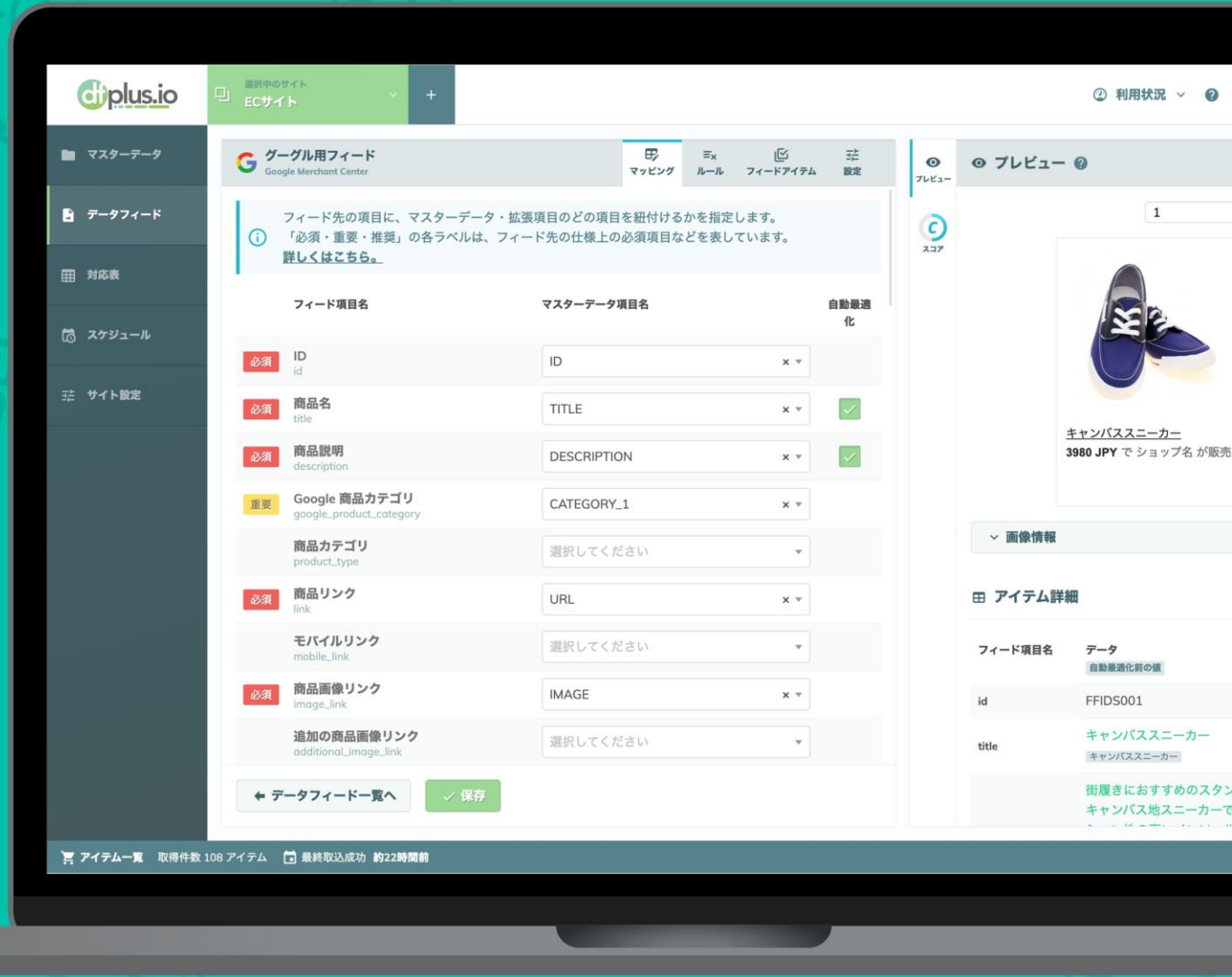




# Make product data top-selling with Data Feed.

Standard support for major media such as Google, Criteo, Facebook, Yahoo!, LINE, Indeed, etc.

It is a Data Feed Management Tool with a 98.0% usage retention rate.







Make product data top-selling with Data Feed.

# "dfplus.io", a Data Feed Management Tool with a 98.0% Usage Retention Rate

"dfplus.io" is a Data Feed Management Tool for utilizing EC product data, human resource job posting data, real estate property data, etc. for marketing.

In addition to data feed ads such as Google Shopping Ads, Criteo, Facebook, Indeed, etc., we also provide recommendations, data linkage with partner sites, and social commerce, realizing an operational environment where even a small number of people can easily achieve results.



**You can complete the process at hand.**

The creation and management of Data Feeds can be completed at hand, greatly reducing communication costs. Rapid implementation of measures is possible.



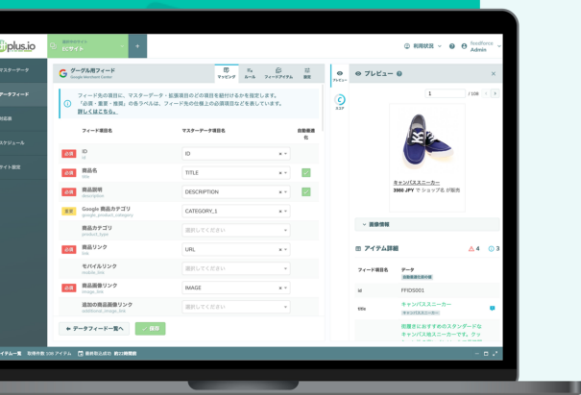
**Powerful features**

We have improved its functions more than 100 times in a year, including automatic optimization, automatic creation of feeds, and avoidance of human errors. Standard support for all major media.

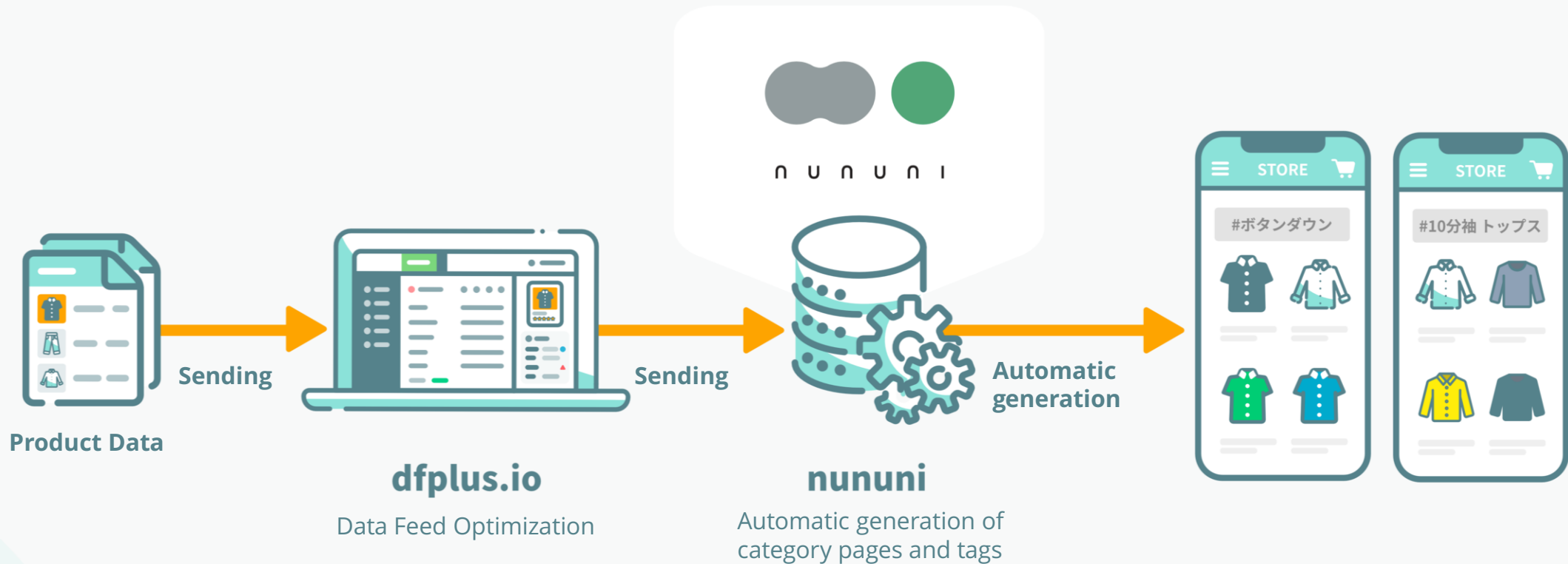


**Beginners are welcome**

With a user interface that is easy to understand, even for beginners in data feeds, it realizes an operation system that does not depend on a single person. Support is also available.



## Data integration with "nununi" started!



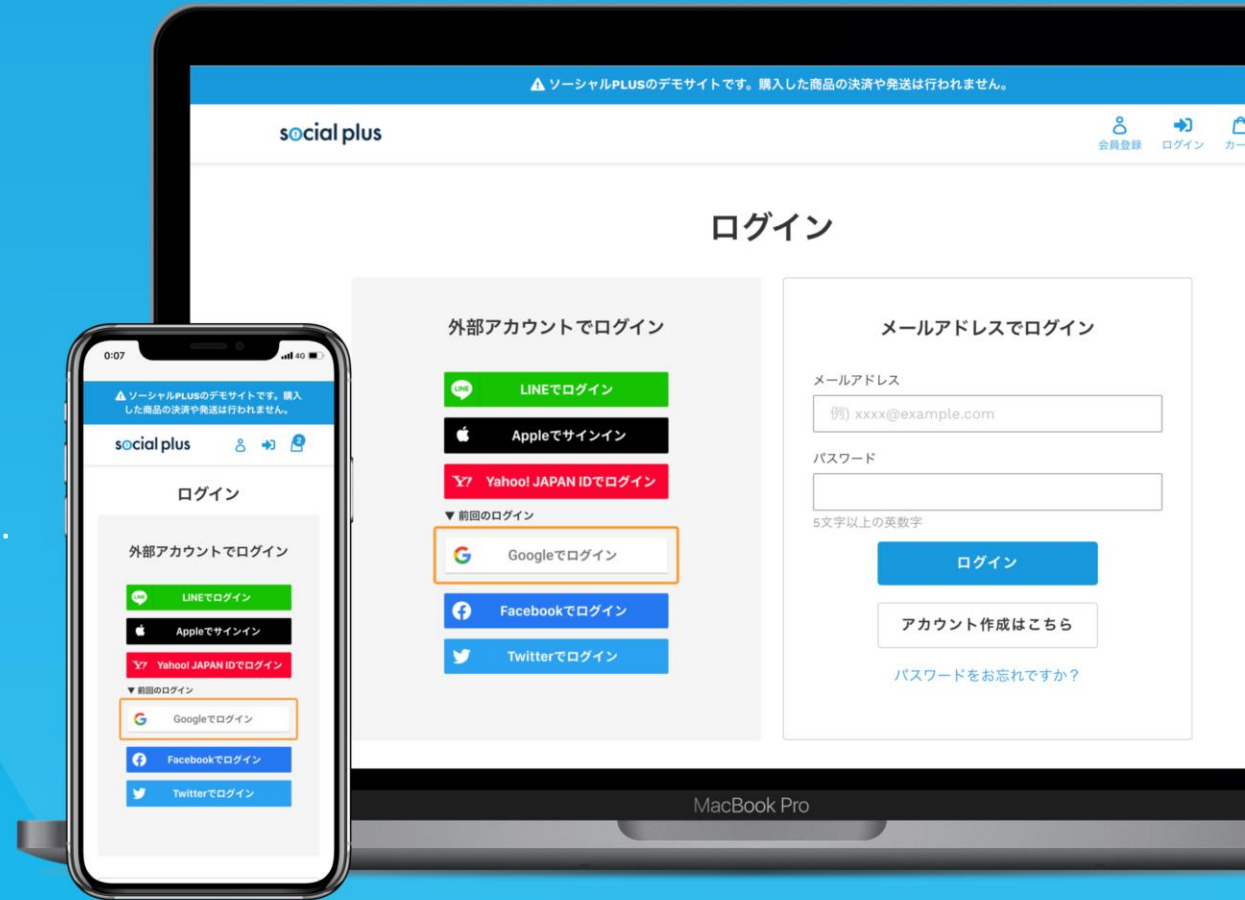
# social plus

## Make it easier to implement Social Login.

This is an ID integration service that allows you to implement Social Login functions for multiple platforms on your website.



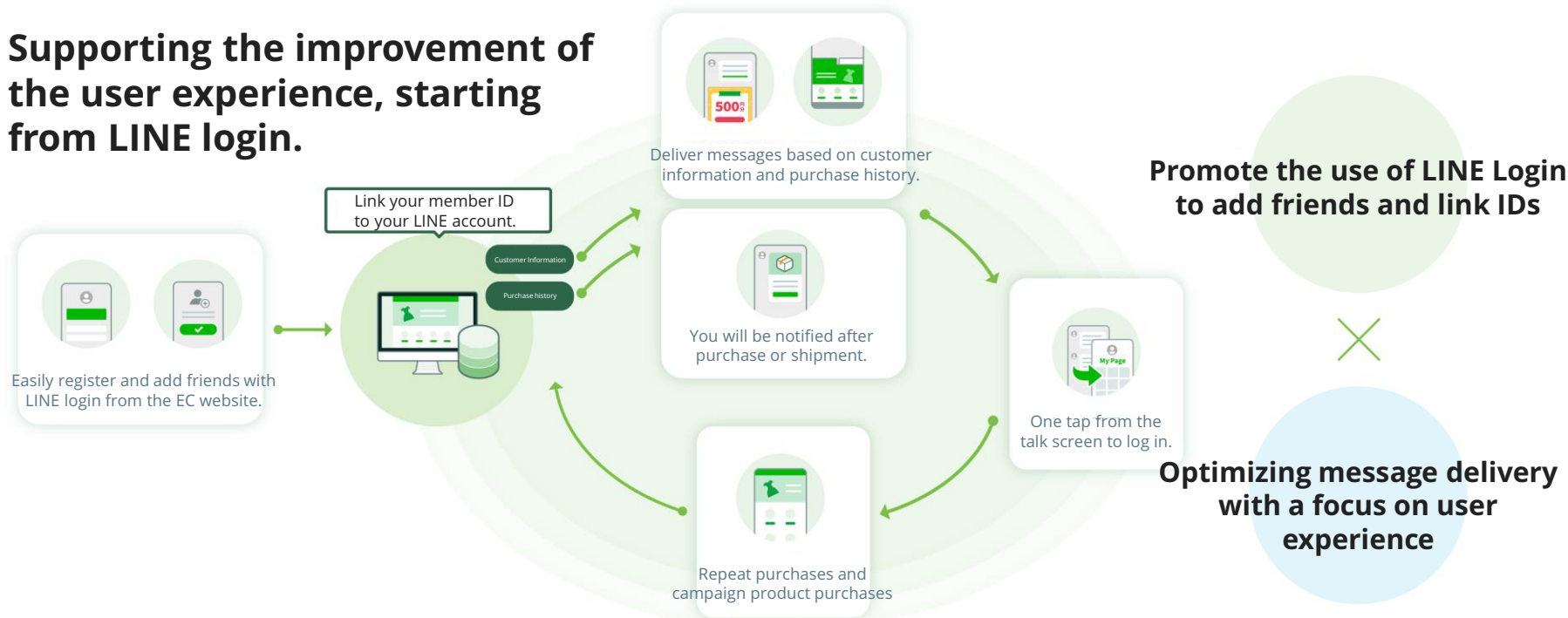
We have been certified as a sales and development partner of LINE Corporation.



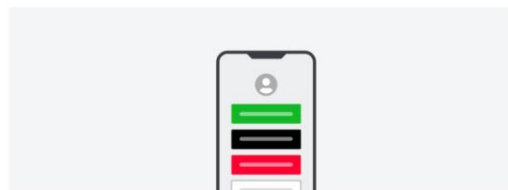
# social plus

Make it easier to implement Social Login.

## Supporting the improvement of the user experience, starting from LINE login.

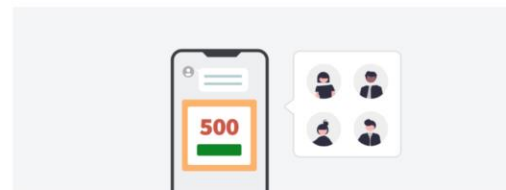


### Optimization of member registration and purchase flow



It makes membership registration very easy because it automatically fills in the membership registration form with personal information obtained through Social Login. By linking the member ID to the SNS account, users can easily log in with their familiar SNS account.

### CRM using the official LINE account

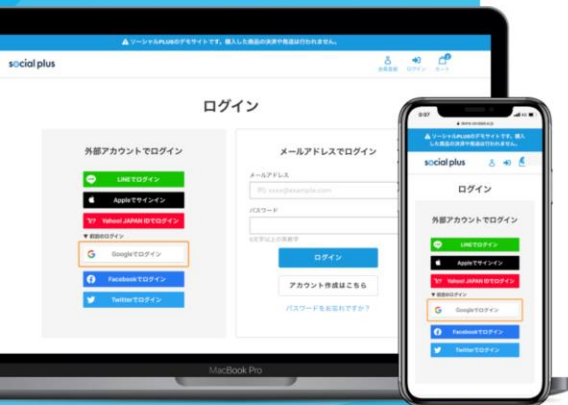


It is possible to promote the linkage of friend additions and IDs through LINE login, as well as optimize message delivery. We will support you in improving user experience and sales based on our technical capabilities and know-how as a certified LINE Corporation Technology Partner and SMB Sales Partner.

### Linking Shopify and LINE



Easily implement social login and CRM policies that integrate Shopify and LINE. We also support segmented delivery based on Shopify customer information and purchase history, as well as automatic delivery of LINE notification messages after purchase completion and shipping completion.



## Three more notifications can now be delivered to you from the official LINE account!

Application Completion Notification



LINE message

Re-entry notice



Shoppify App

Coming Soon

Forget-to-buy reminder



Shoppify App



# Launch of Omni-Channel Member information linkage App



## Member information linkage



Display member barcodes on the EC site!

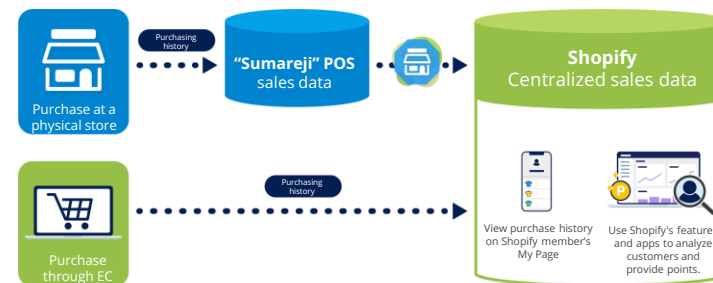


You can add your Shopify membership information as your Sumareji membership information.

## Sales information linkage

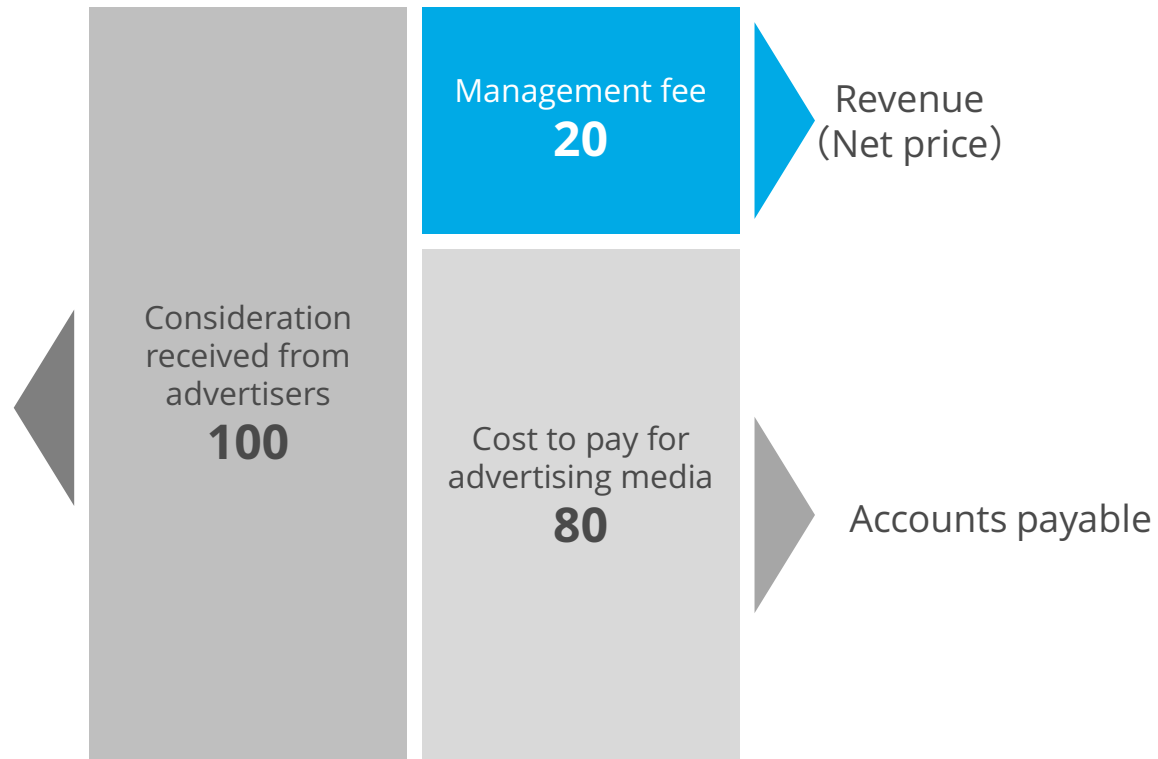


Unify online and offline purchase status. Realize cross-channel analysis and CRM!



## (2) Business Revenue Structure

Revenue Structure and Revenue Accounting Method for Advertising Management Services



**Anagrams , Feedmatic and EC Booster reports net sales.**








Companies and services that apply



ANAGRAMS



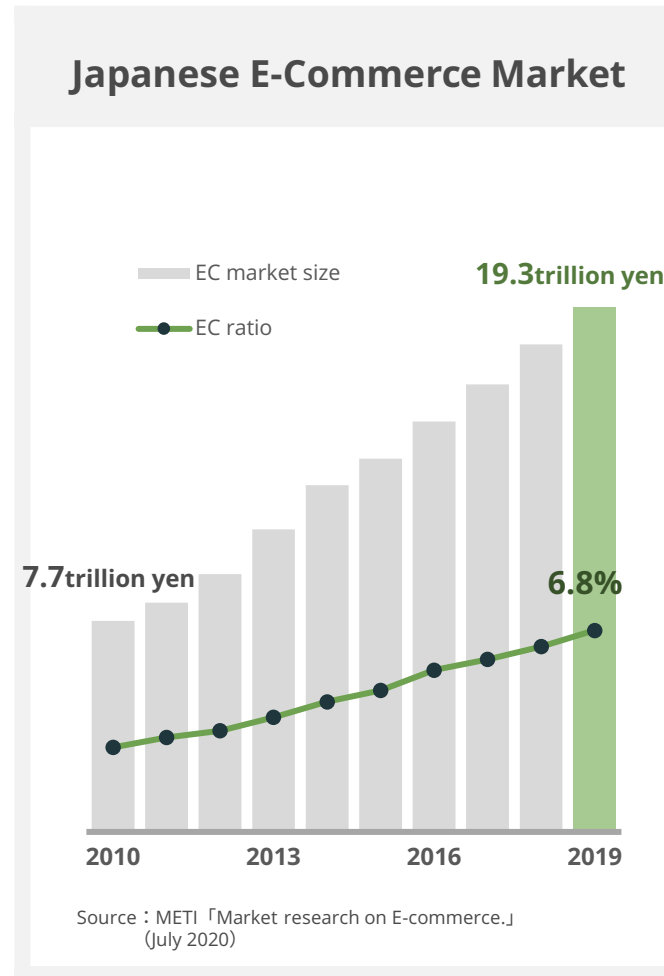
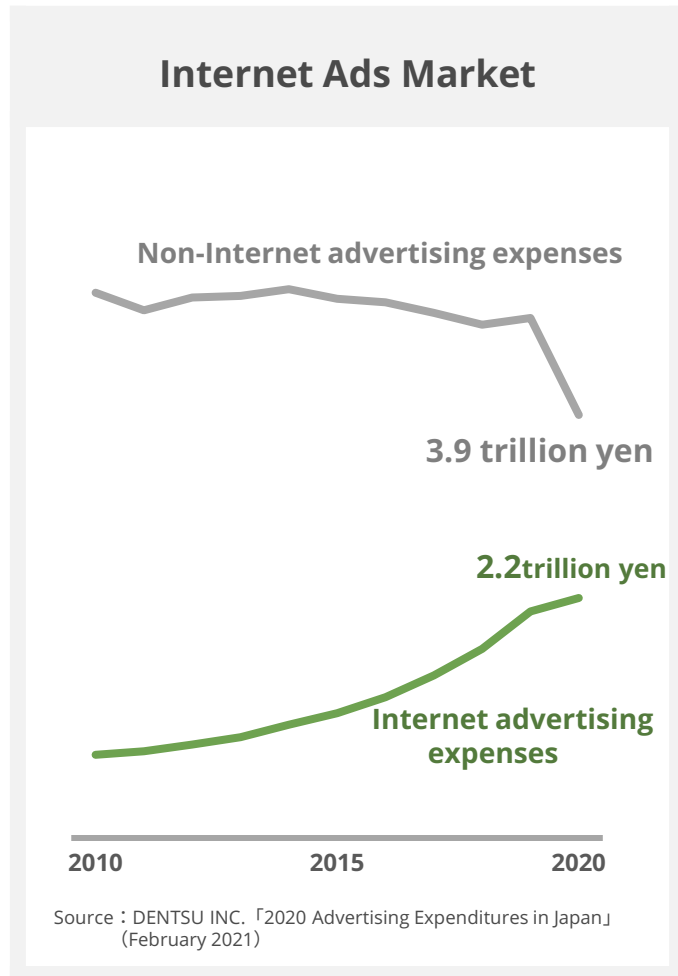
## (2) Business Revenue Structure Fee Plan of Main Services

	PrSr		SaaS						
Service									
Fee structure	Certain percentage of advertising value	Monthly Fixed	Certain percentage of advertising value (1,000yen/day~)	Monthly Fixed	Monthly Fixed				
Pricing Details	 <p><b>Public Notice Delivery Fee</b></p> <p>A separate fee will be charged for data feed operation.</p>	<p>1st delivery</p> <p><b>From 50,000 yen/month.</b> Initial cost starts at 100,000 yen.</p>	<p><b>Service fee</b></p> <p>There are no initial or monthly fees. There is a 30% fee for each ad.</p>	<table border="1"> <tr> <td> <p><b>エントリー</b> 月額料金</p> <p><b>¥ 30,000</b></p> <p>2フィード アイテム数 10,000 管理サイト数 1 メールサポート</p> </td> <td> <p><b>スタンダード</b> 月額料金</p> <p><b>¥ 50,000</b></p> <p>3フィード アイテム数 30,000 管理サイト数 2 メールサポート イメージエディタ 利用可</p> </td> </tr> <tr> <td> <p><b>プロフェッショナル</b> 月額料金</p> <p><b>¥ 75,000</b></p> <p>5フィード アイテム数 50,000 管理サイト数 3 メールサポート イメージエディタ 利用可</p> <p>容量追加オプション 1フィード追加: +15,000円 1万アイテム追加: +5000円 1サイト追加: +5,000円</p> </td> <td> <p><b>エージェンシー</b> 月額料金</p> <p><b>¥ 100,000</b></p> <p>5フィード アイテム数 100,000 管理サイト数 無制限 メールサポート イメージエディタ 利用可</p> <p>容量追加オプション 1フィード追加: +12,000円 1万アイテム追加: +2,500円 1サイト追加: 0円</p> </td> </tr> </table>	<p><b>エントリー</b> 月額料金</p> <p><b>¥ 30,000</b></p> <p>2フィード アイテム数 10,000 管理サイト数 1 メールサポート</p>	<p><b>スタンダード</b> 月額料金</p> <p><b>¥ 50,000</b></p> <p>3フィード アイテム数 30,000 管理サイト数 2 メールサポート イメージエディタ 利用可</p>	<p><b>プロフェッショナル</b> 月額料金</p> <p><b>¥ 75,000</b></p> <p>5フィード アイテム数 50,000 管理サイト数 3 メールサポート イメージエディタ 利用可</p> <p>容量追加オプション 1フィード追加: +15,000円 1万アイテム追加: +5000円 1サイト追加: +5,000円</p>	<p><b>エージェンシー</b> 月額料金</p> <p><b>¥ 100,000</b></p> <p>5フィード アイテム数 100,000 管理サイト数 無制限 メールサポート イメージエディタ 利用可</p> <p>容量追加オプション 1フィード追加: +12,000円 1万アイテム追加: +2,500円 1サイト追加: 0円</p>	<p><b>Social PLUS</b></p> <p><b>From 50,000 yen/month.</b></p> <p>初期費用 ¥50,000 ユーザー数1万人以降、月額費用プラス ¥10,000円/1万人 ボリュームディスカウントあり</p>
<p><b>エントリー</b> 月額料金</p> <p><b>¥ 30,000</b></p> <p>2フィード アイテム数 10,000 管理サイト数 1 メールサポート</p>	<p><b>スタンダード</b> 月額料金</p> <p><b>¥ 50,000</b></p> <p>3フィード アイテム数 30,000 管理サイト数 2 メールサポート イメージエディタ 利用可</p>								
<p><b>プロフェッショナル</b> 月額料金</p> <p><b>¥ 75,000</b></p> <p>5フィード アイテム数 50,000 管理サイト数 3 メールサポート イメージエディタ 利用可</p> <p>容量追加オプション 1フィード追加: +15,000円 1万アイテム追加: +5000円 1サイト追加: +5,000円</p>	<p><b>エージェンシー</b> 月額料金</p> <p><b>¥ 100,000</b></p> <p>5フィード アイテム数 100,000 管理サイト数 無制限 メールサポート イメージエディタ 利用可</p> <p>容量追加オプション 1フィード追加: +12,000円 1万アイテム追加: +2,500円 1サイト追加: 0円</p>								
	 <p><b>Minimum manuscript amount More than 1 million yen per month</b></p> <p>The minimum amount to be submitted is per media.</p>	<p>After the second delivery</p> <p><b>From 30,000 yen/month.</b> Initial cost starts at 40,000 yen.</p>		<p><b>Social PLUS + LINE login option</b></p> <p><b>From 80,000 yen/month.</b></p> <p>初期費用80,000円 ユーザー数1万人以降、月額費用プラス ¥10,000円/1万人 ボリュームディスカウントあり</p> <p>LINE@でビジネスコネクト利用可 メッセージマネージャー利用可</p> <p>&gt;LINEログインオプションについて</p>					



Market Environment

# (1) Market size

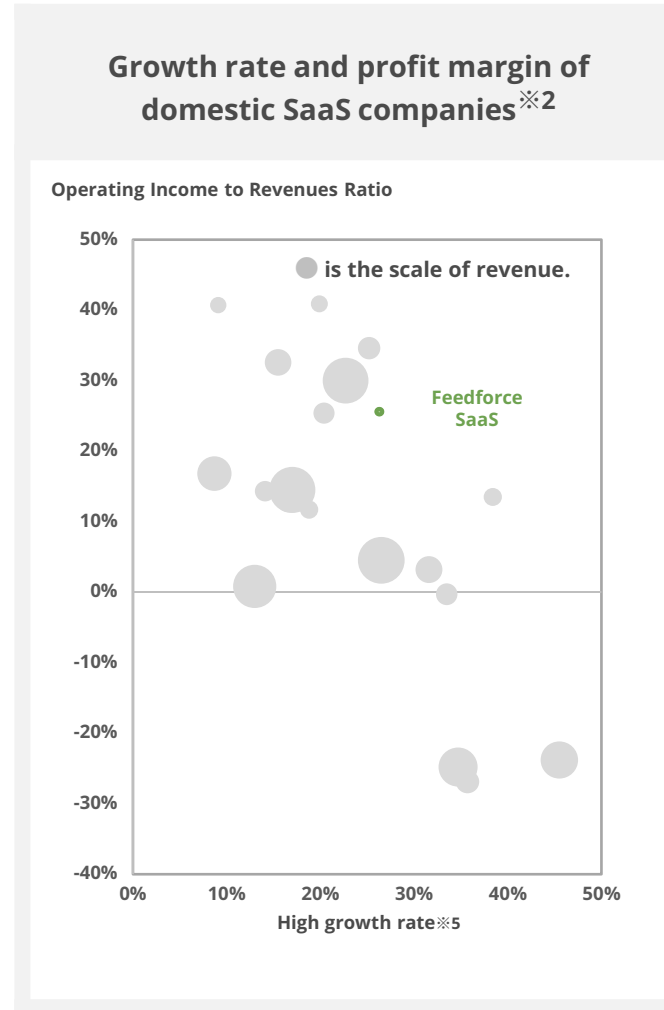
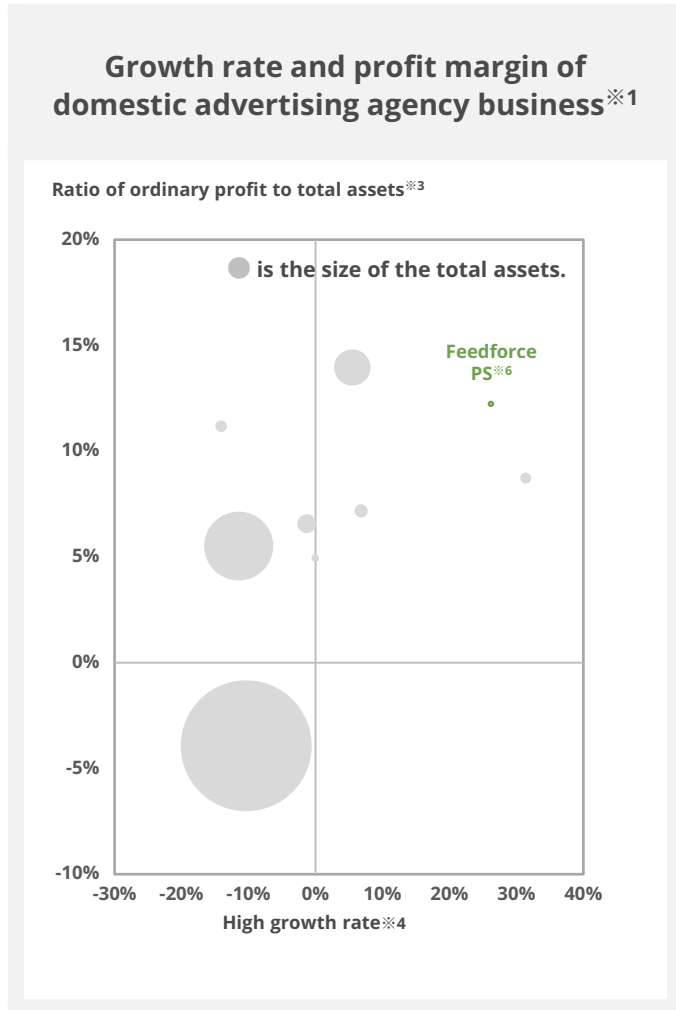


Internet advertising expenditures will continue to grow positively in 2020.

The EC transaction market will see a large drop in 2020 in the service sector (travel, restaurants, tickets, etc.), but will expand in the product sales sector.

## (2) Market Environment

Comparison with major domestic advertising agencies and SaaS companies



**In comparison with major domestic advertising agencies and SaaS companies, the company is inferior in terms of asset size and sales scale, but it has maintained high growth and high profitability.**

1 Calculated based on the most recent financial results of major companies listed in Japan that are mainly engaged in the advertising agency business.

2 Calculated based on the most recent financial results of major companies listed in Japan that are mainly engaged in the SaaS business.

3 IFRS results are calculated based on the ratio of pre-tax income to total assets.

4 Calculated based on actual net sales.

5 Calculated based on company forecast sales.

6 The sales growth rate of the FeedForce PS business is calculated including the sales before the business combination in the anagram for the fiscal year ending May 2020. Translated with [www.DeepL.com/Translator](http://www.DeepL.com/Translator) (free version)

## (2) Market Environment Major companies that provide Data Feed services

There are several major companies overseas, but none of them are listed.



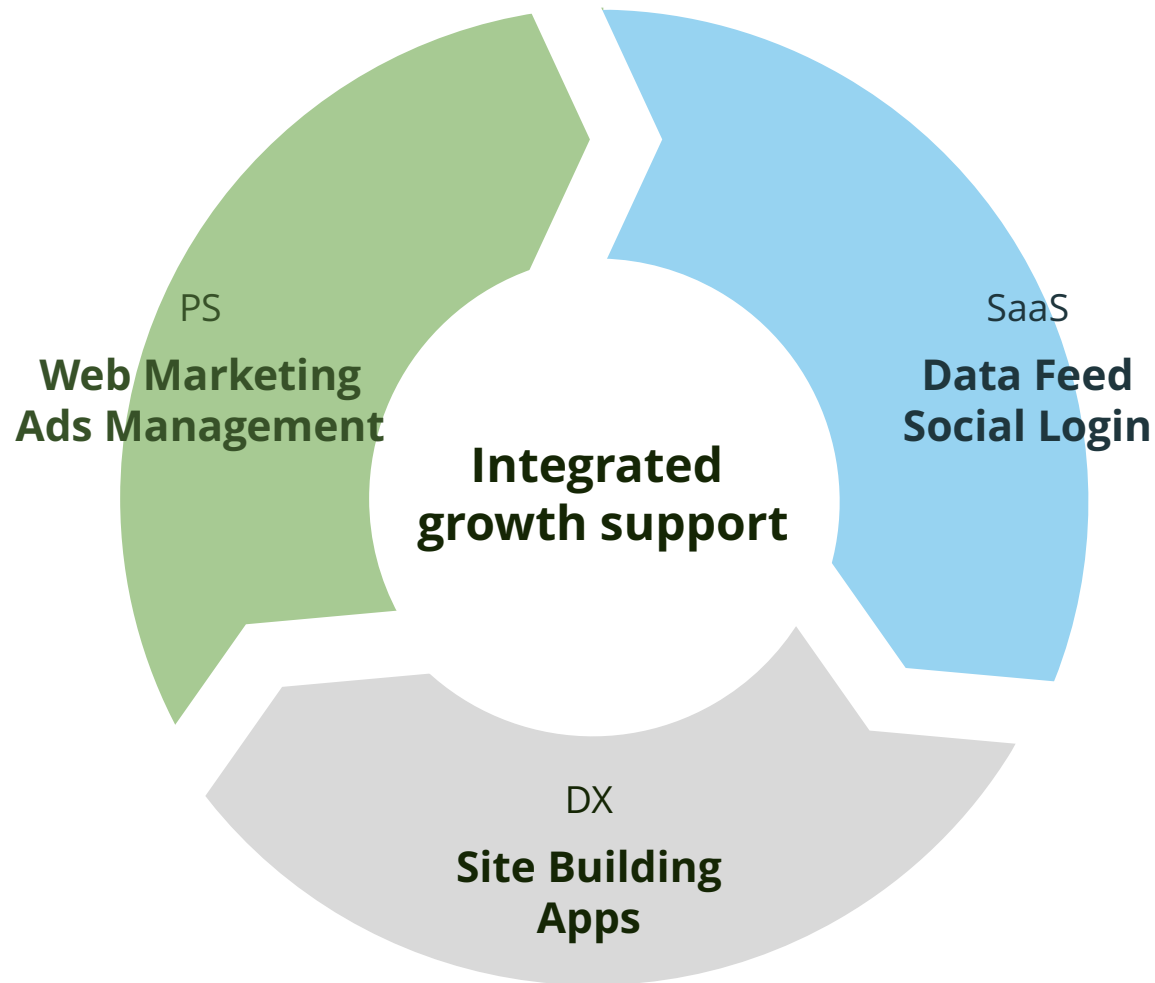
## (2) Market Environment Major companies that provide social login services

In overseas, Auth0, a subsidiary of Okta (listed on NASDAQ), is developing a service similar to Social PLUS.



Source of competitiveness

# (1) Management resources and Competitive advantage Business segment synergies



**Sales Promotions (PS)**  
**Tool Provision (SaaS)**  
**Site construction and linkage (DX)**

**Through these, we will support the growth of E-commerce and Web service providers.**

# (1) Management resources and Competitive advantage Management Members

**President & CEO**

**Koji Tsukada**



Graduated from the Faculty of Engineering, Kyoto University in 1992. After working at Yasuda Trust and Banking, he established Root Communications Inc. in 1996. In March 2006, he founded Feedforce Inc.

**Director,  
Anagrams  
President & CEO**

**Keji Abe**



Graduated from Bunka Fashion College in March 2001. After graduating, she worked as a freelancer for the apparel and e-commerce businesses. Established Anagrams in April 2010 and became president (current position)

**Outside Director  
(Standing Auditor)**

**Tameaki Sato**

Graduated from the Faculty of Commerce, Chuo University in 1978. After working at Deloitte Touche Tohmatsu LLC and other companies, he was appointed as an auditor in August 2017 and as a member of the audit committee in August 2018. CPA.

**Director,  
Chief Business  
Management  
Officer**

**Kosuke Kita**



Graduated from Tokai University in 2002. Japan System Development Co.(now NSD Corporation) and Daiwa Securities, before joining the company in September 2006.

**Director,  
New Business  
Manager**

**Yoshihiro  
Okada**



Graduated from the Faculty of Arts and Letters, Seijo University in 2001. He has worked at M.K. Soft Services, Aun Consulting, Google, and Atala LLC before being appointed to the Audit Committee in August 2018.

**Outside Director  
(Audit Committee)**

**Katsunori Ura**

Graduated from Hitotsubashi University, Faculty of Law in 2002. Joined Blakemore Law Office. He was appointed as an auditor in August 2017 and as a member of the Audit Committee in August 2018. Lawyer.

**Director,  
Chief Business  
Administrative  
Officer**

**Shingo  
Nishiyama**



Graduated from the Faculty of Engineering, Kyoto University in 2000. The Ministry of Construction(now MLIT) and Nikko Citigroup Securities Co.(now SMBC Nikko Securities Inc.),before joining the company in January 2017.

**Outside Director  
(Standing Auditor)**

**Yasuo Sato**

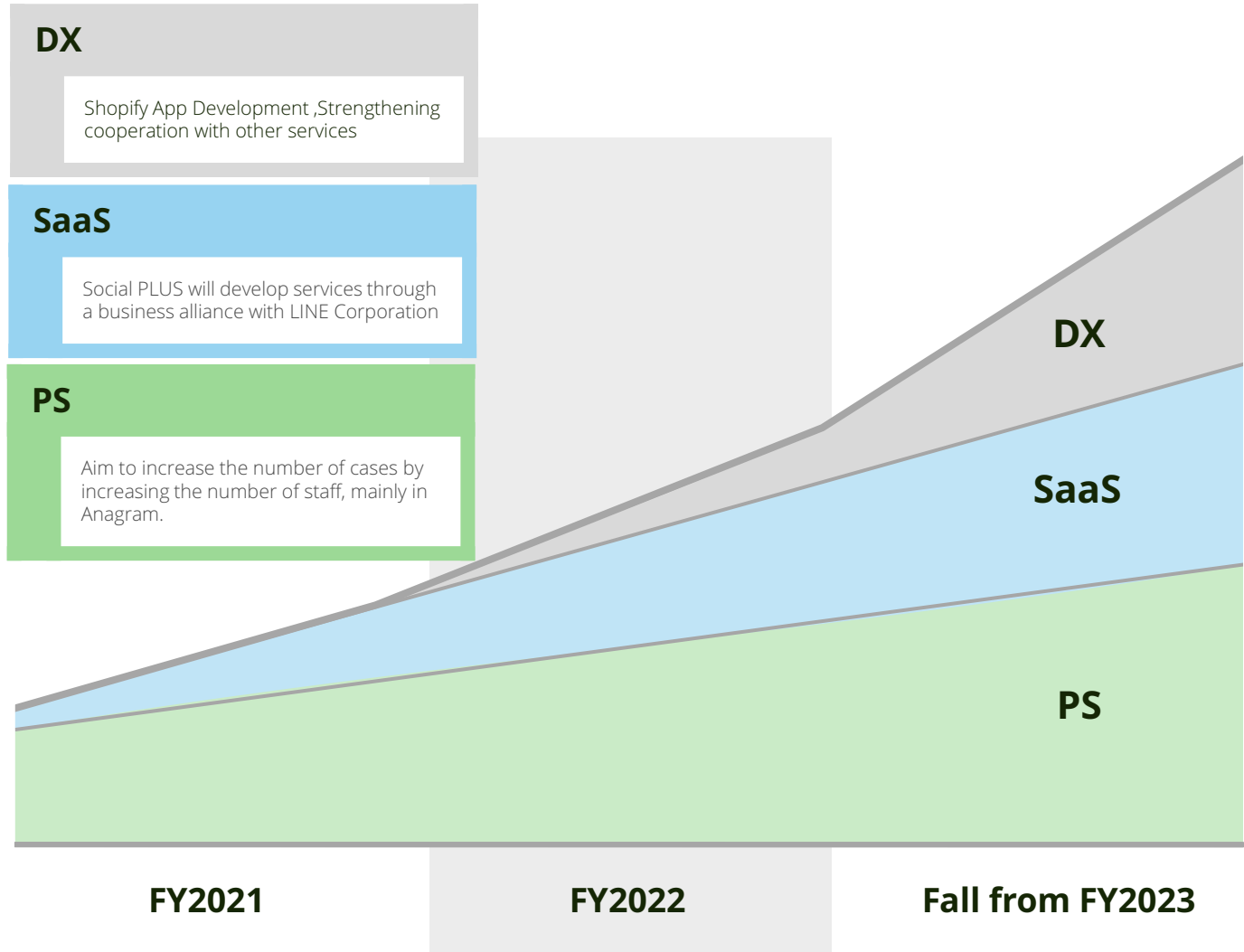
After graduating from university, he worked for ADK Holdings Inc. , Digital Garage, Inc. , Infoseek , Google , ATARA, LLC Chairman(current position). He was appointed as a member of the Audit Committee in August 2020.



Our Business Plan

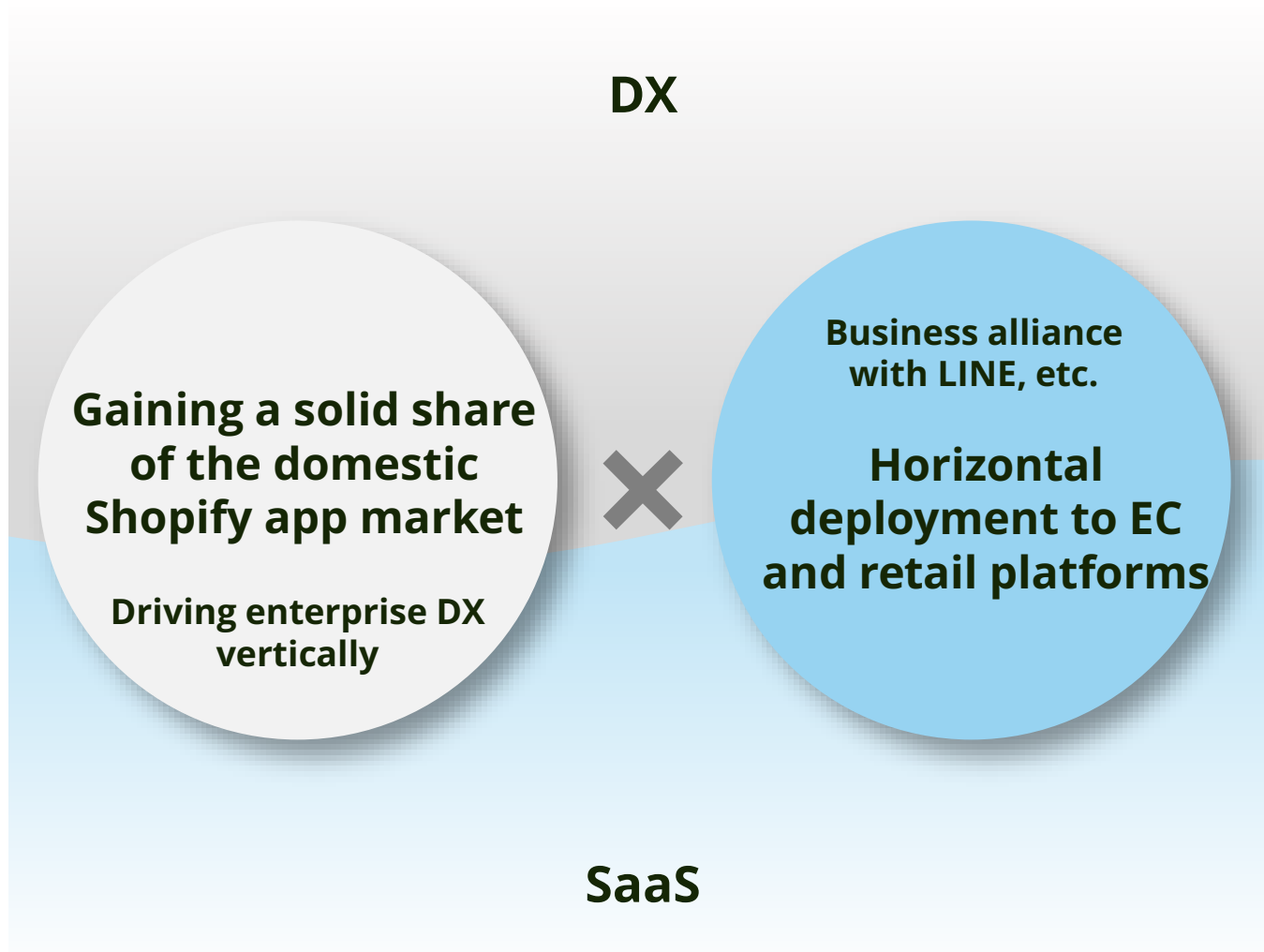
# (1) Growth Strategies

Medium-term business development strategy for growth



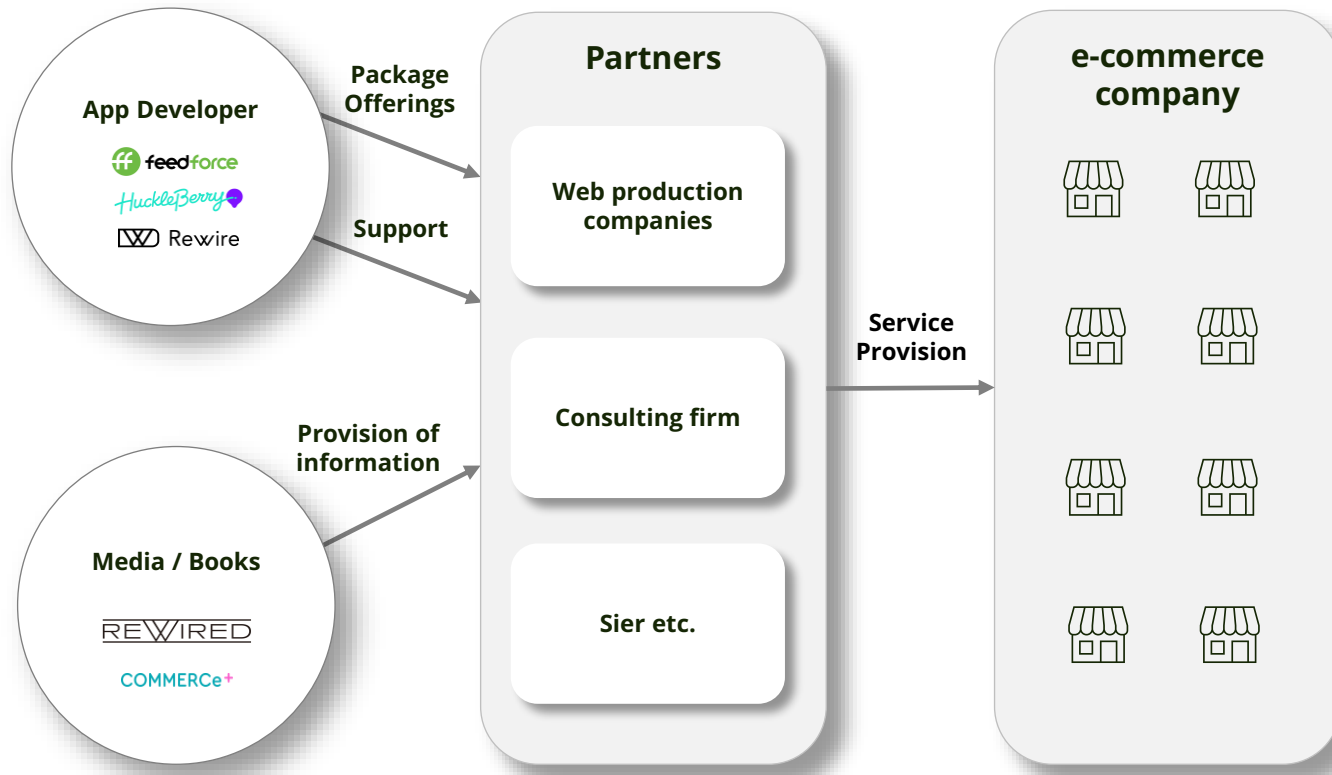
**Accelerate the development of the DX and SaaS with a view to long-term growth.**

# (1) Growth Strategies Direction of approach to growth



Utilizing the platforms of Shopify and LINE, the company aims to grow by pursuing synergies between its DX and SaaS businesses.

# (1) Growth Strategies DX : App Unity App Distribution



Promote alliances with EC building partners, etc. as an app distribution channel.

# (1) Growth Strategies DX • SaaS : Shopify app delivery results



Shopify is an e-commerce platform that was founded in Canada in 2004.

Since December 2020, a series of Shopify applications have been released.

# Steady increase in apps, partners, and media

## App

New application to be provided in October 2021.

## Partner

EC construction partners: 5 companies (planned)

## Shopify Books

"The easiest way to learn Shopify"

"Shopify Application Book"

## Shopify • EC Media Management

Rewired.cloud

COMMECe+

REWIRED ECニュース ECコラム Shopify アプリ イベント

【今日のひとこと】いちばんやさしいShopifyの教本、好評みたいですね！

ホーム

「ECコラム」の記事一覧

REWIREDのEコマースに関するコラムです。

WE'RE UNIFIED WE'RE UNIFIED WE'RE UNIFIED WE'RE UNIFIED WE'RE UNIFIED WE'RE UNIFIED

9月24, 2021

店舗とECの一元化とは？オムニチャネルなストア運営のはじめ方

FACEBOOK PAY MEETS SHOPIFY

9月10, 2021

Facebook Pay が Shopifyストアで展開できることの意味と、決済プラットフォームとしての可能性

ACOS! IPI!

8月5, 2021

AUGMENT -ED

7月16, 2021

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書籍「Shopify運用大全 最先端ECサイトを成功に導く81の活用法」

9月29, 2021

[2021/10/12]「いちばんやさしいShopifyの教本」発売記念オンラインイベント

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応用価格 1,680円+税

わかりやすさNo.1 最強の教科書 オールカラー解説

#いちばんやさしいShopify

人気講師が教える 売れるネットショップ制作・運営

いちばんやさしい ショッピングファイ

Shopifyの教本

シリーズ累計 70万部突破!!

インプレス

最先端ECサイトを成功に導く 81の活用方法

# Shopify 運用大全

Shopify公認の達人たちが

“世界標準の売り方”を教えます

疑問・難問を解消する EC運営ノウハウを大公開!

ネットショップ入門にも最適

インプレス

COMMECe+ 高品質のショップ店長の知恵を徹底解剖



今月の店長

BULK HOMMEの圧倒的成長から考える、バルクオムCEO野口卓也さんが提唱するD2C Eコマース、スケールの方程式

BULK HOMME 野口卓也さん

山西牧場

# (1) Growth Strategies DX : Capital and business alliance and establishment of new company

months and years	Company name	Objective.
<b>August 2021</b>	<b>Capital alliance</b> (Business alliance in May 2021)   Huckleberry. Inc	Shopify app development and integration enhancement with App Unity.
<b>October 2021 (planned)</b>	<b>Establishment of overseas offices</b>   FEEDFORCE VIETNAM COMPANY LIMITED	Offshore development, etc.

**Formed a capital alliance with Huckleberry Inc. in August 2021 to further strengthen cooperation in App Unity.**

**Plan to establish a corporation in Vietnam in October 2021 for the purpose of offshore development, etc.**

# (1) Growth Strategies

SaaS : Service development through business alliance with LINE Corporation

**LINE Login Package  
for EC Businesses**

powered by **social plus**



**Membership card  
package for brick-and-  
mortar businesses**

powered by **social plus**



**In May 2021, we formed a  
business alliance with LINE  
Corporation.**

**Started to develop services for  
businesses using Social PLUS.**



## (2) Management Index    Financial Index

	FY2017 Non-Consoli Dated	FY2018 Non-Consoli Dated	FY2019 Non-Consoli Dated	FY2020 Consoli Dated	FY2021 Consoli Dated	FY2022 Q1 Consoli dated
<b>Growth in Revenue</b>	+46.2%	+15.6%	+24.5%	+118.0%	+69.5%	<b>+22.0%</b>
<b>PS</b>	—	+1.8%	△0.3%	+162.6%	+88.7%	<b>+22.2%</b>
<b>SaaS</b>	—	+74.4%	+86.3%	+58.6%	+26.4%	<b>+19.7%</b>
<b>Operating income to net sales</b>	△5.9%	△4.6%	6.6%	27.2%	34.4%	<b>37.3%</b>
<b>PS</b>	32.0%	34.6%	28.0%	35.5%	40.0%	<b>45.2%</b>
<b>SaaS</b>	△157.2%	△94.6%	△19.5%	8.6%	24.4%	<b>37.4%</b>
<b>ROA<sup>※1,※2</sup></b>	—	—	11.2%	14.6%	15.2%	<b>n.a.</b>
<b>ROE<sup>※2,※3</sup></b>	—	—	57.2%	31.0%	28.5%	<b>n.a.</b>
<b>Shareholders' equity ratio<sup>※4</sup></b>	19.7%	15.7%	20.7%	18.3%	36.6%	<b>40.7%</b>
<b>D/E ratio<sup>※5</sup></b>	2.1x	2.6x	1.6x	1.1x	0.7x	<b>0.6x</b>

**SaaS revenue growth is 19% and operating profit margin is 37%**

※1 ROA : Operating Income / {(Total assets at the beginning of the year+ Total Assets)/2}  
FY2020 : Operating Income / {(Non-consolidated) Total assets at the beginning of the year + (Consolidated) Total Assets /2}

※2 In case of a negative value, "-" is used to indicate a negative value.

※3 ROE : Profit attributable to shareholders of parent ÷ {(Total own capital for the period+ Own capital at the end of the period)/2}  
FY2020 : Profit attributable to shareholders of parent ÷ {(Non-consolidated) Total own capital for the period+ (Consolidated) Own capital at the end of the period)/2}

※4 Shareholders' equity ratio : (Shareholders' equity + Total other comprehensive income) ÷ Total liabilities and net assets

※5 D/E ratio : Interest-bearing liabilities÷ Net assets

## (2) Management Index [Data related to sales] Number of cases by service

	FY2017	FY2018	FY2019	FY2020	FY2021	FY2022 Q1 Consoli dated	QoQ
	(# of orders)						
<b>PS</b>	123	112	136	225	242	<b>242</b>	—
<b>Anagrams</b>	—	—	—	96	115	<b>116</b>	+1
<b>Feedmatic</b>	24	23	45	48	45	<b>46</b>	+1
<b>DF PLUS</b>	88	82	85	76	79	<b>77</b>	△2
<b>Other</b>	11	7	6	5	3	<b>3</b>	—
<b>SaaS</b>	140	293	648	755	787	<b>801</b>	+14
<b>EC Booster</b> ※1	—	57	313	344	303	<b>294</b>	△9
<b>dfplus.io</b>	7	48	98	139	175	<b>185</b>	+10
<b>Social PLUS</b>	133	188	237	272	309	<b>322</b>	+13
<b>DX</b> ※2	—	—	—	—	3	<b>166</b>	+163
<b>Total</b>	263	405	784	980	1,032	<b>1,209</b>	+177

**Despite a decrease in EC Booster, the overall SaaS business continued to increase.**

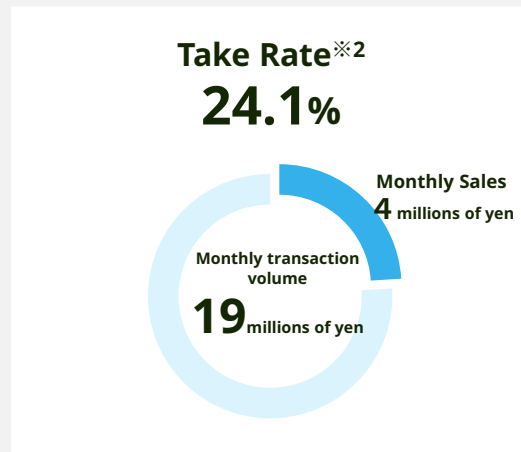
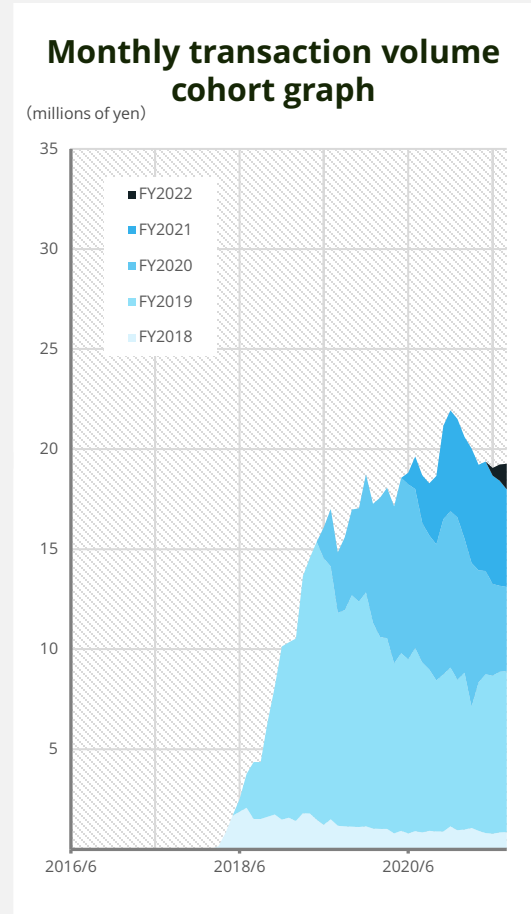
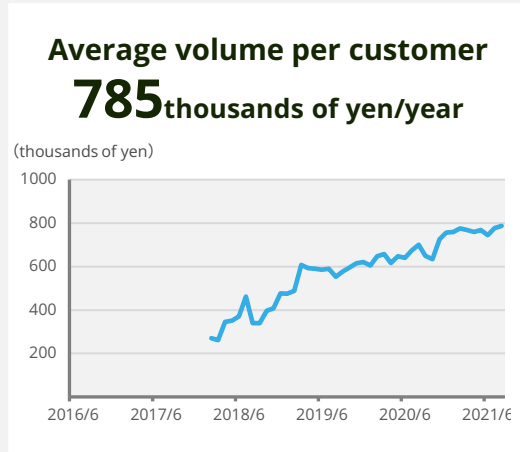
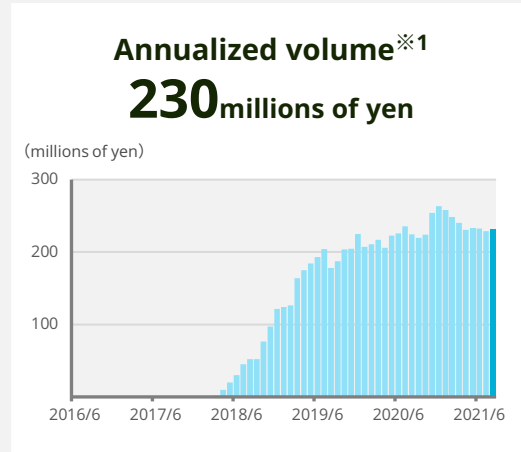
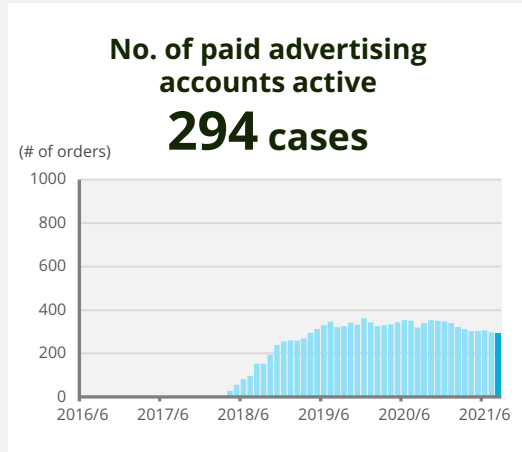
**The number of Shopify-applicable accounts in the DX business also exceeded 160.**

**Service development through business alliance with LINE Inc.**

※1 EC Booster free plan accounts are not included.

※2 Total number of projects for site construction, etc. and number of active accounts for applications provided in the DX business.

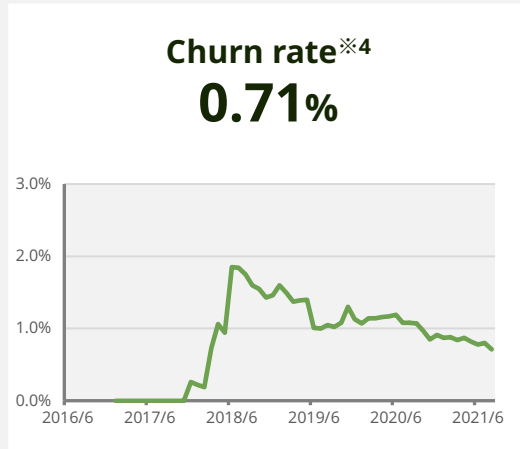
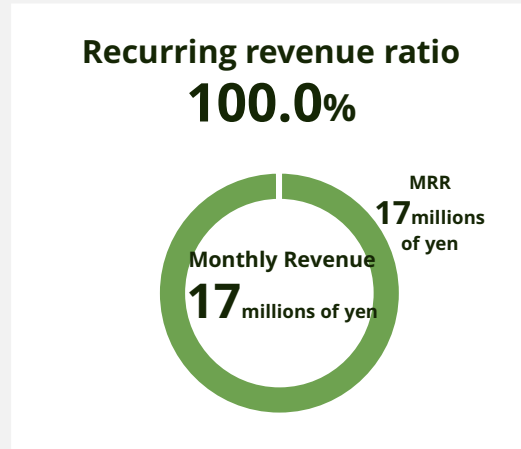
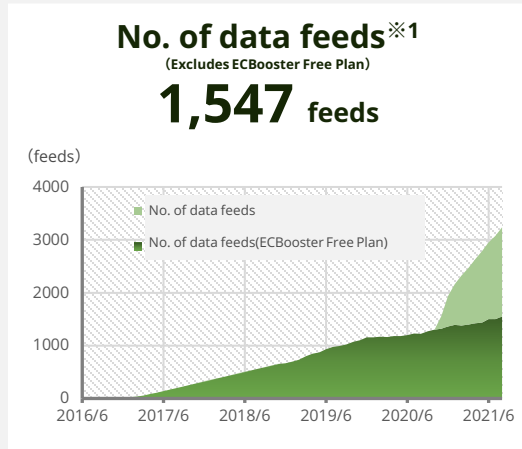
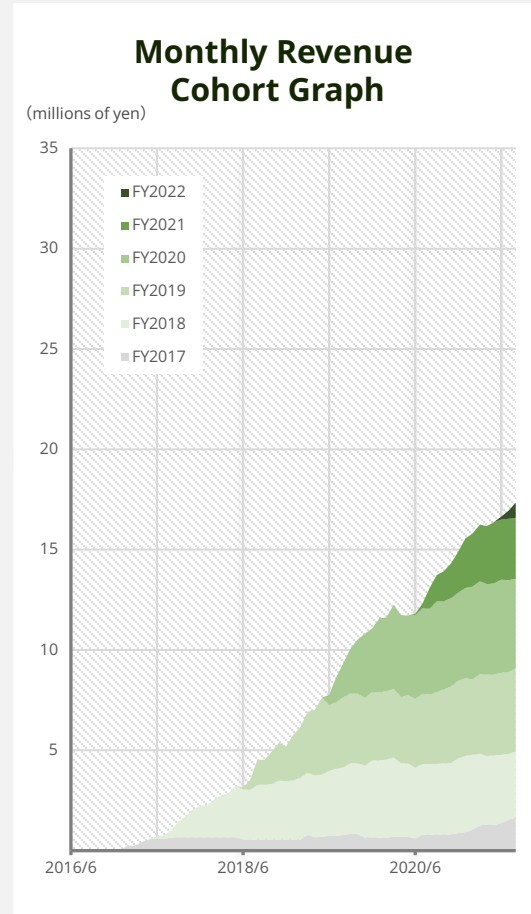
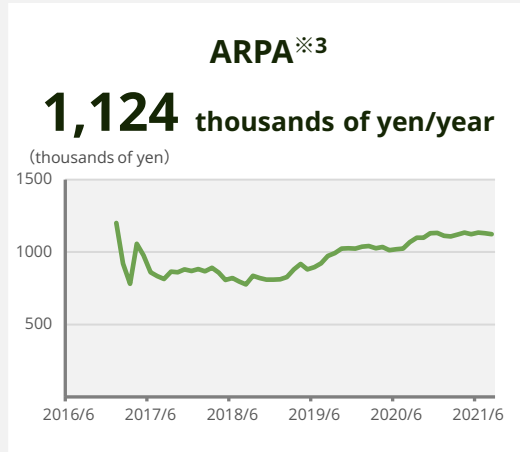
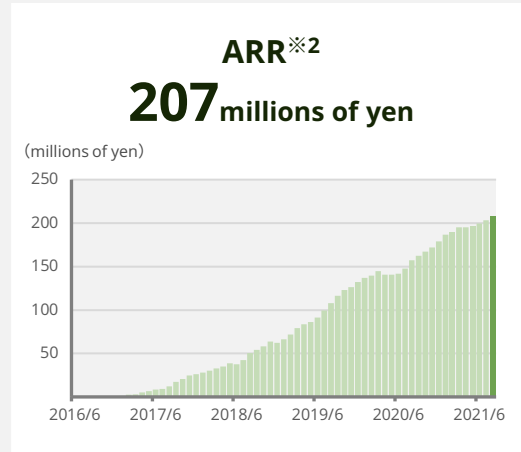
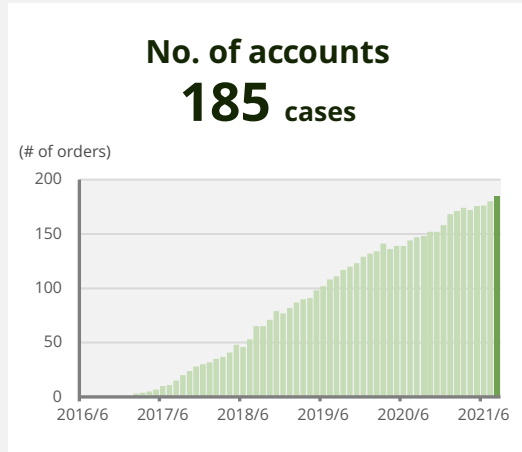
# (2) Management Index [Data related to sales] Performance Indicators of SaaS



※1 Calculated by multiplying each monthly transaction volume by 12.

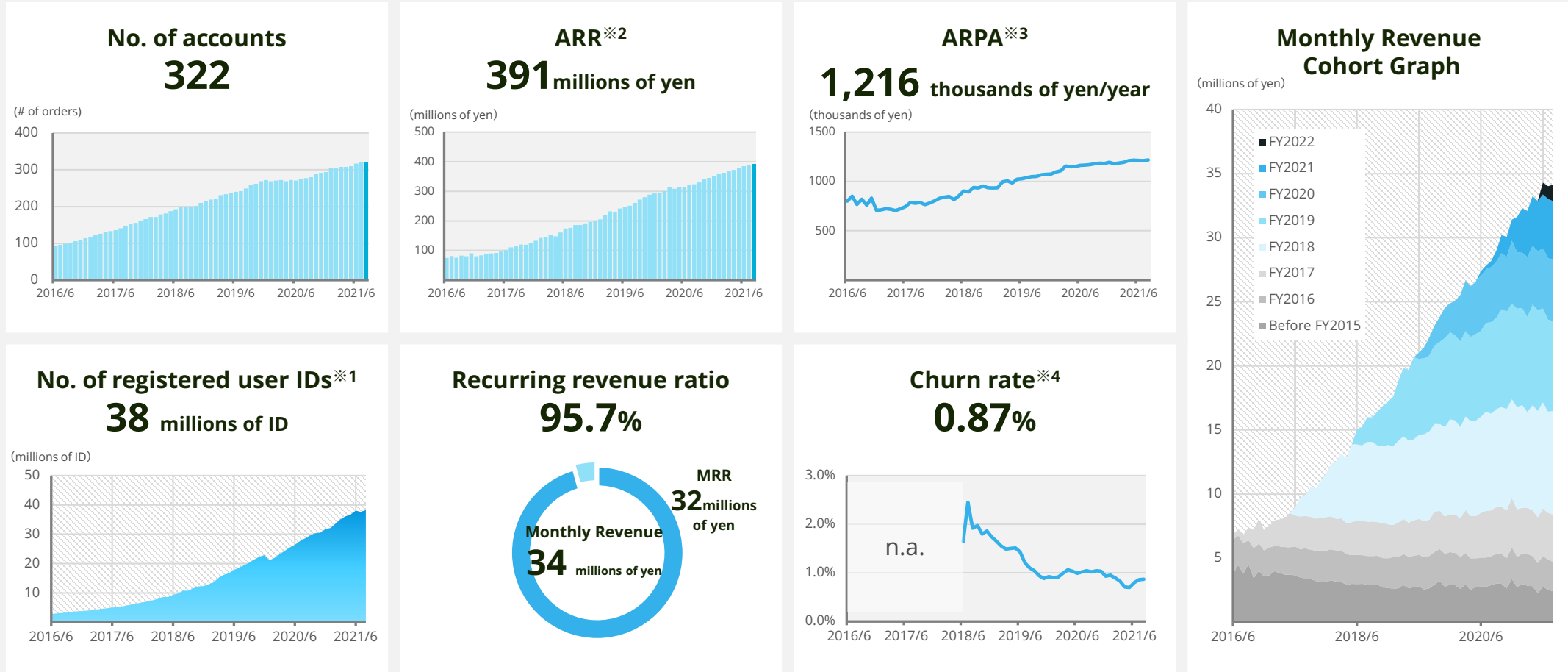
※2 Ratio of revenues to transaction volume. Revenues are calculated by subtracting media advertising expenses, referral fees to partners, etc. from transaction volume.

# (2) Management Index [Data related to sales] Performance Indicators of SaaS



※1 Sum of the number of media to which data is sent for each account  
 ※2 Calculated by multiplying each monthly recurring revenue (ongoing fixed revenue) by 12  
 ※3 Average ARR per account  
 ※4 The most recent 12-month weighted average of the monthly cancellation amount against the monthly recurring revenue.

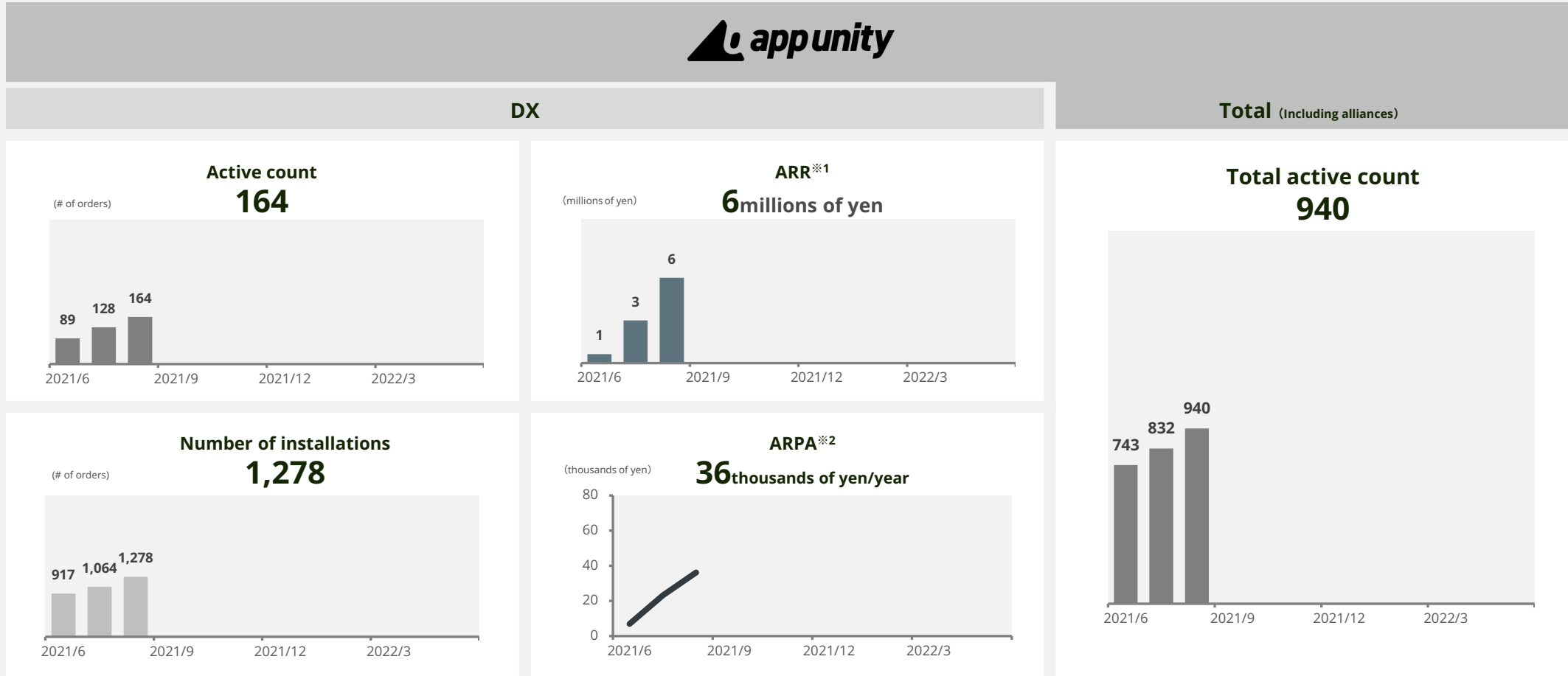
# (2) Management Index [Data related to sales] Performance Indicators of SaaS social plus



※1 Total number of user IDs registered through the Social PLUS service.  
 ※2 Calculated by multiplying each monthly recurring revenue (ongoing fixed revenue) by 12  
 ※3 Average ARR per account  
 ※4 The most recent 12-month weighted average of the monthly cancellation amount against the monthly recurring revenue.

# (2) Management Index

[Data related to sales] Performance Indicators of DX



※1 Calculated by multiplying each month's recurring revenue (ongoing fixed revenue) by 12. For applications developed through joint ventures, only the Company's revenue amount is recorded.  
 ※2 Average ARR per account.

## (2) Management Index [Cost related data] No. of Employees(Full-time employees only)

(Unit : people)

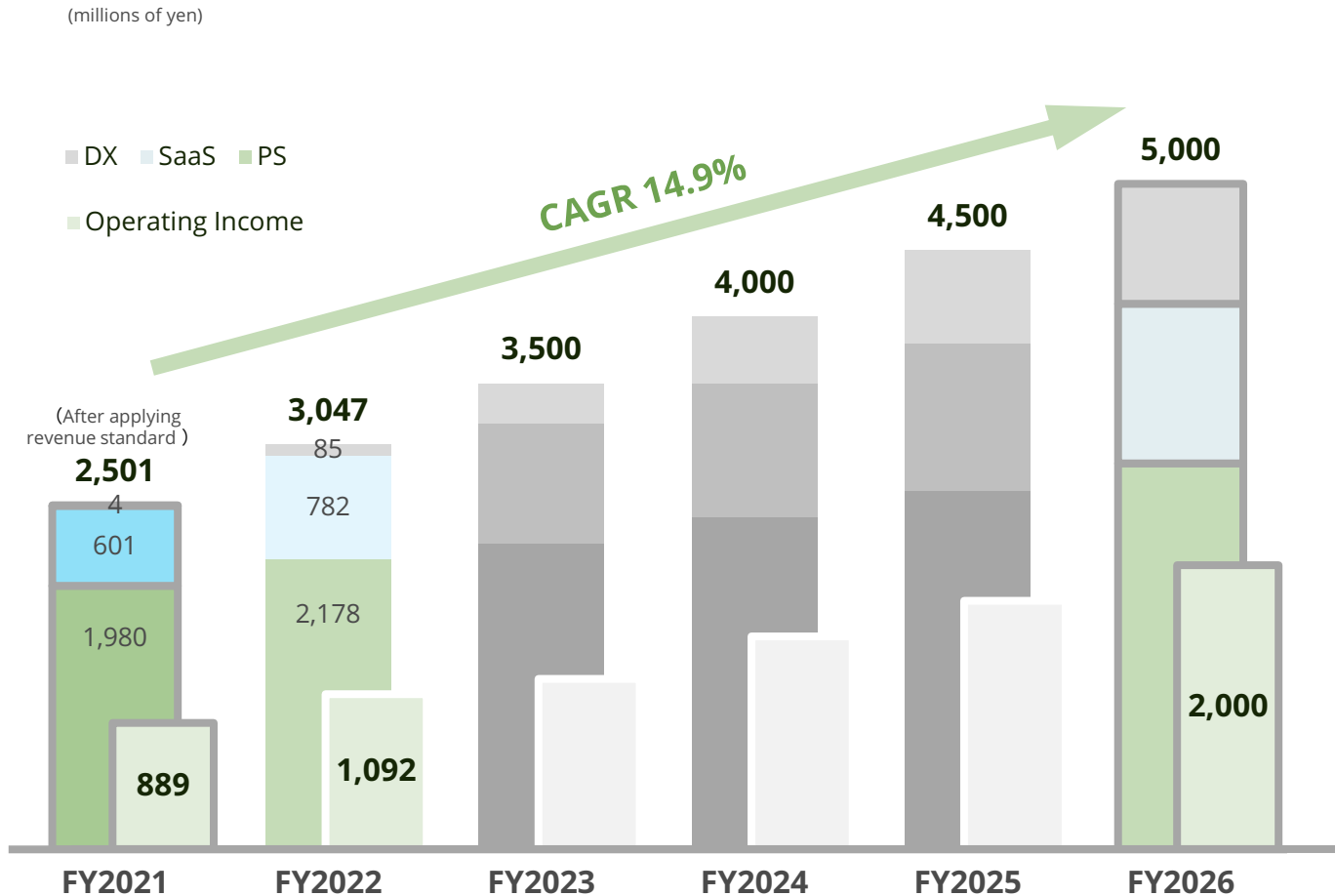
	FY2017	FY2018	FY2019	FY2020	FY2021	Q1 FY2022	QoQ
<b>Total</b>	64	64	73	122	138	<b>138</b>	—
<b>PS</b>	n.a.	23	24	66	76	<b>80</b>	+4
<b>Anagrams</b>	—	—	—	41	52	<b>55</b>	+3
<b>Feedforce</b>	n.a.	23	24	25	24	<b>25</b>	+1
<b>SaaS</b>	n.a.	29	33	35	37	<b>38</b>	+1
<b>DX</b>	—	—	—	—	4	<b>9</b>	+5
<b>Rewire</b>	—	—	—	—	1	<b>2</b>	+1
<b>Feedforce</b>	—	—	—	—	3	<b>7</b>	+4
<b>Corporate (common)*</b>	n.a.	12	16	21	21	<b>11</b>	△10

**The number of employees in the group (full-time employees only) is 138.**

※ We have changed the disclosure of the number of employees (full-time employees only) from the previous number of officers (officers and full-time employees only) to the number of employees (full-time employees only) (including the end of previous fiscal years).

### (3) Profit plan and assumptions

Medium-term targets through the fiscal year ending FY2026



**Aiming for revenues of 5 billion yen and operating income of 2 billion yen by the fiscal year ending FY2026.**

**The total revenue share of the SaaS and DX is expected to be around 40% in the fiscal year ending FY2026.**

#### Specific Growth Drivers.

**SaaS : Social PLUS**

(Includes joint services with LINE Corporation)

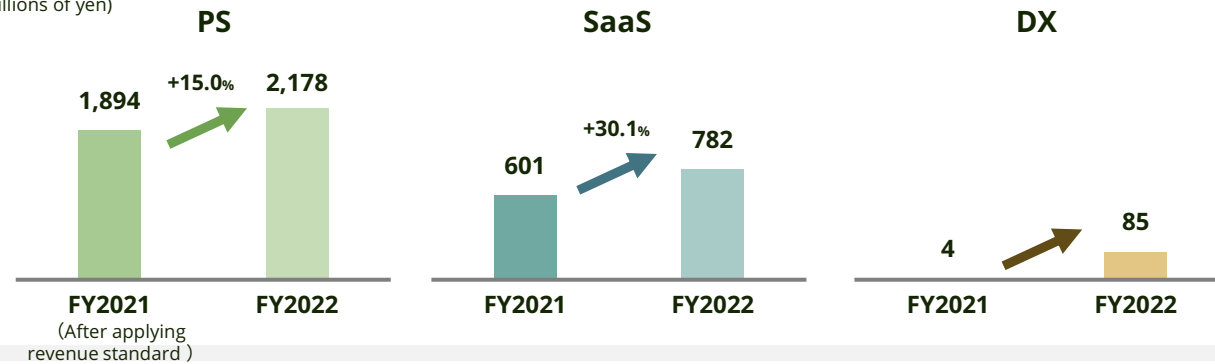
**DX : System building and application development using Shopify.**



### (3) Profit plan and assumptions    Assumptions for earnings forecast for FY2022

#### Revenue Forecast for FY2022 ( Breakdown by segment )

(millions of yen)

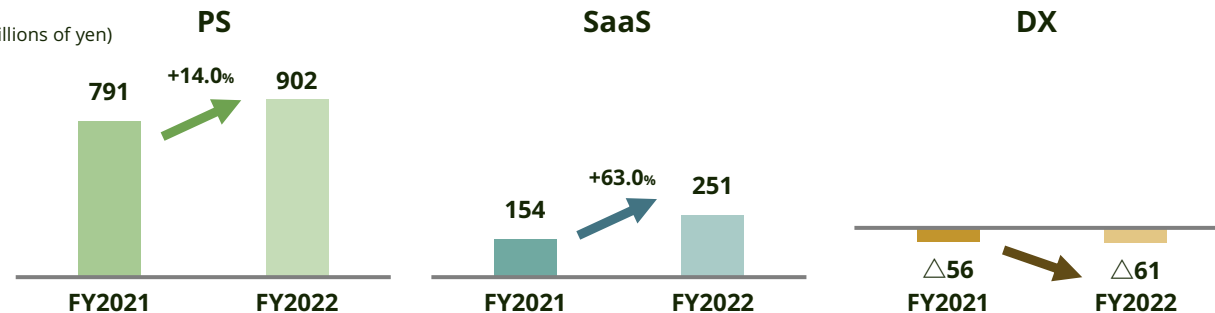


Investment (operating expenses) in the DX is about 150 million yen, mainly for personnel costs (Development, Marketing, and Support).

The DX is expected to post an operating loss for FY2022.

#### Operating Income Forecast for FY2022 ( Breakdown by segment )

(millions of yen)



## (4) Progress Progress of Business Forecast for the FY2022

	(millions of yen)				
	FY2022 Q1 Results Consolidated	FY2022 Q2 Forecast Consolidated	Progress against Q2 forecast	FY2022 Forecast Consolidated	Progress against full- year forecast
Revenue	672	1,415	+47.5%	3,047	+22.1%
EBITDA	293	565	+51.8%	1,266	+23.1%
Operating Income	250	478	+52.3%	1,092	+22.9%
EBT	251	474	+52.9%	1,083	+23.2%
Profit attributable to shareholders of parent	154	295	+52.3%	675	+22.9%

**Q1 sales fell below 50% of the Q2 cumulative forecast, but Q1 operating profit exceeded 50%.**

**The company plans to continue to update and disclose "Our Business Plan and Growth Potential" on a quarterly basis. (The next update is scheduled for December 2021.)**

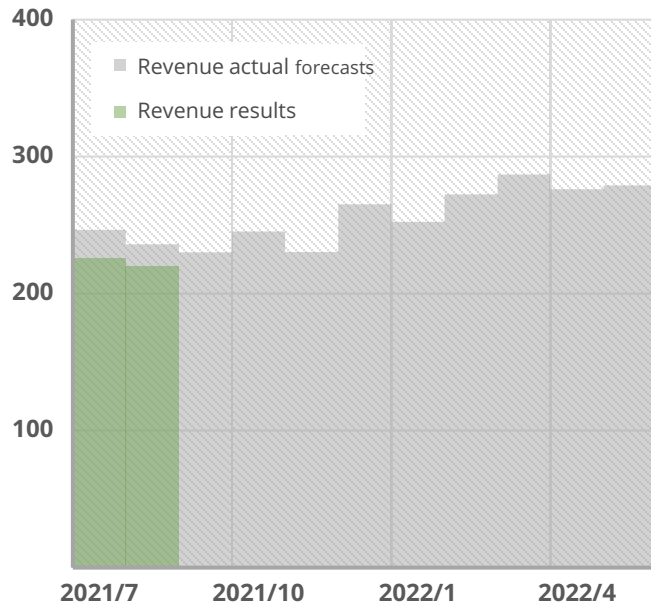
## (4) Progress Monthly progress of earnings forecast for the FY2022

Q1 Progress to plan  
Revenue **94.8%**

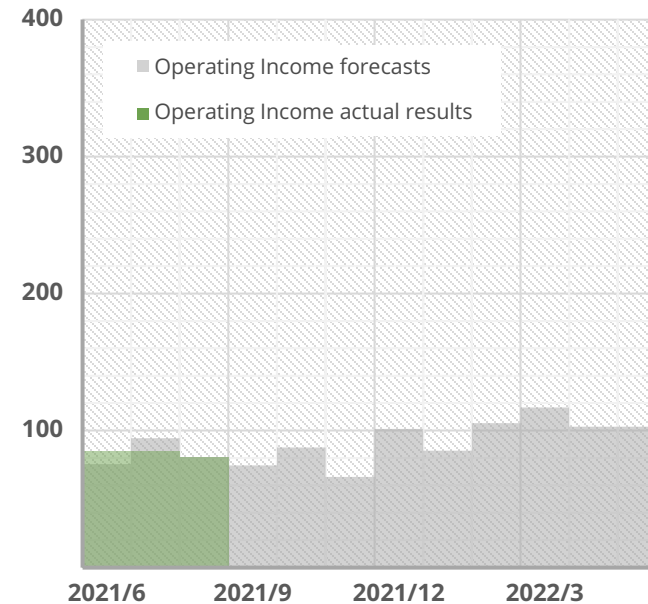
Q1 Progress to plan  
Operating Income **100.1%**

Due to seasonal factors, we assume that the second half of the year will make a larger contribution.

(millions of yen)



(millions of yen)



# (4) Progress Monthly progress of business forecast by segment for the FY2022

**PS**  
 Q1 Progress to plan  
 Revenue **93.7%**

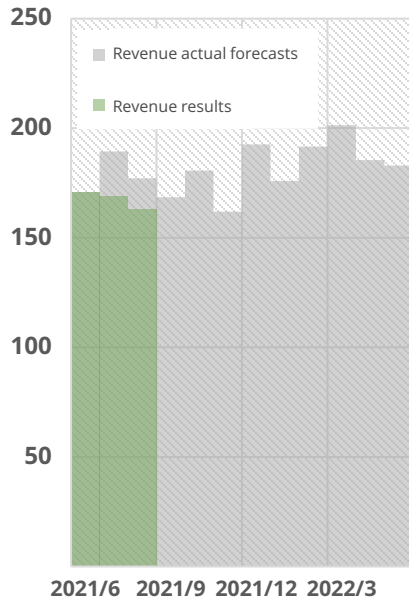
**SaaS**  
 Q1 Progress to plan  
 Revenue **99.4%**

**DX**  
 Q1 Progress to plan  
 Revenue **56.1%**

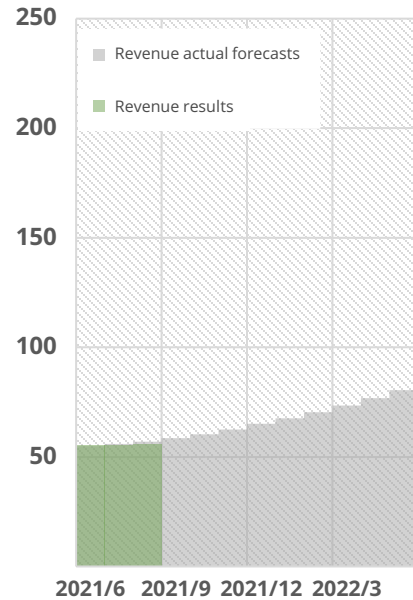
**PS business fell short to the plan.**

**SaaS business largely progressed as planned.**

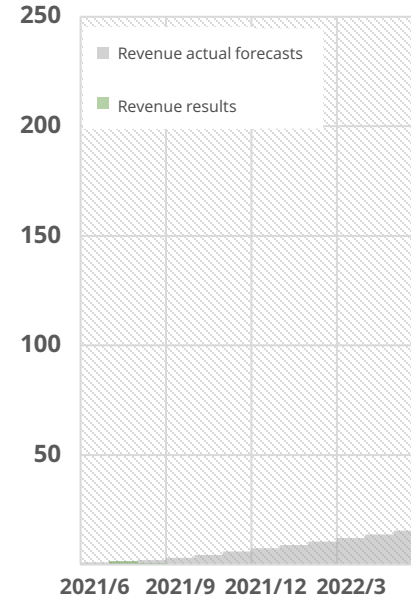
(millions of yen)



(millions of yen)



(millions of yen)



Risk Information

# (1) Perceived Risks

Business Risks and external environment	
Risk	Contents
<b>COVID-19</b> Short-term	The domestic economy is stagnant due to the long-lasting effects of the new coronavirus infection.  If it becomes apparent, the growth of existing businesses in particular may stagnate.
<b>Internet Ads Market</b> Short~ Long-term	The impact of economic fluctuations and changes in corporate advertising strategies will have a significant impact.  If it becomes apparent, the performance of the PS could be sluggish.
<b>Technology Innovation</b> Long-term	Delays in responding to new technologies will cause the services and technologies provided to become obsolete.  If this becomes apparent, there will be an increase in cancellations and existing services, mainly in the SaaS business, may not be able to continue.
<b>Regulation of Law</b> Long-term	Possibility of regulation of sales promotion methods using personal purchasing and browsing history on the Internet. If this becomes apparent, the performance of the PS could be sluggish.

Business Risks and internal environment	
Risk	Contents
<b>Concentration on a specific medium</b> Long-term	Dependence on the services of a particular digital platformer.  If this becomes apparent, policy changes may prevent the service from being provided as planned.
<b>Concentration on specific customers</b> Short~ Long-term	In the advertising management service, the percentage of sales to specific customers is large.  If this becomes apparent, the performance of the PS could be sluggish.
<b>Information Security</b> Short~ Long-term	Possibility of information leakage due to unauthorized access from outside.  If this were to become apparent, the SaaS could suffer a downturn in performance due to the suspension of operations.

Financial Risks	
Risk	Contents
<b>Recovery of investment in new businesses</b> Long-term	Inability to generate earnings as initially expected.  If this becomes apparent, we may not be able to invest flexibly.
<b>Impairment of goodwill, etc.</b> Long-term	Large amount of goodwill and customer-related assets recorded due to M&A.  If it becomes apparent, the company may not be able to invest flexibly due to deteriorating financial conditions.

The "major risks" that will have a significant impact on the realization of growth and execution of the business plan are shown on the left.

If any of these risks were to materialize, it would have a significant impact on the realization of growth and the execution of the business plan.

※ For "Major Risks" other than the above, please refer to the Annual Securities Report.

## (2) Risk Management

Business Risks and external environment	
Risk	Countermeasures
COVID-19	<p>Continued online interviews and remote work</p> <p>Focus on E-commerce</p>
Internet Ads Market	<p>Diversification of risk through increase in number of projects and diversification of client industries</p>
Technology Innovation	<p>Continuous service improvement and engineering recruitment</p>
Regulation of Law	<p>Approaches to ID marketing</p>

Business Risks and internal environment	
Risk	Countermeasures
Concentration on a specific medium	<p>Strengthen ties with Shopify, LINE, and other non-GAFA partners</p>
Concentration on specific customers	<p>Diversification of the number of projects and industries</p> <p>Strengthen ability to propose to new customers</p>
Information Security	<p>Limited access rights</p> <p>Periodic vulnerability checks, etc.</p>

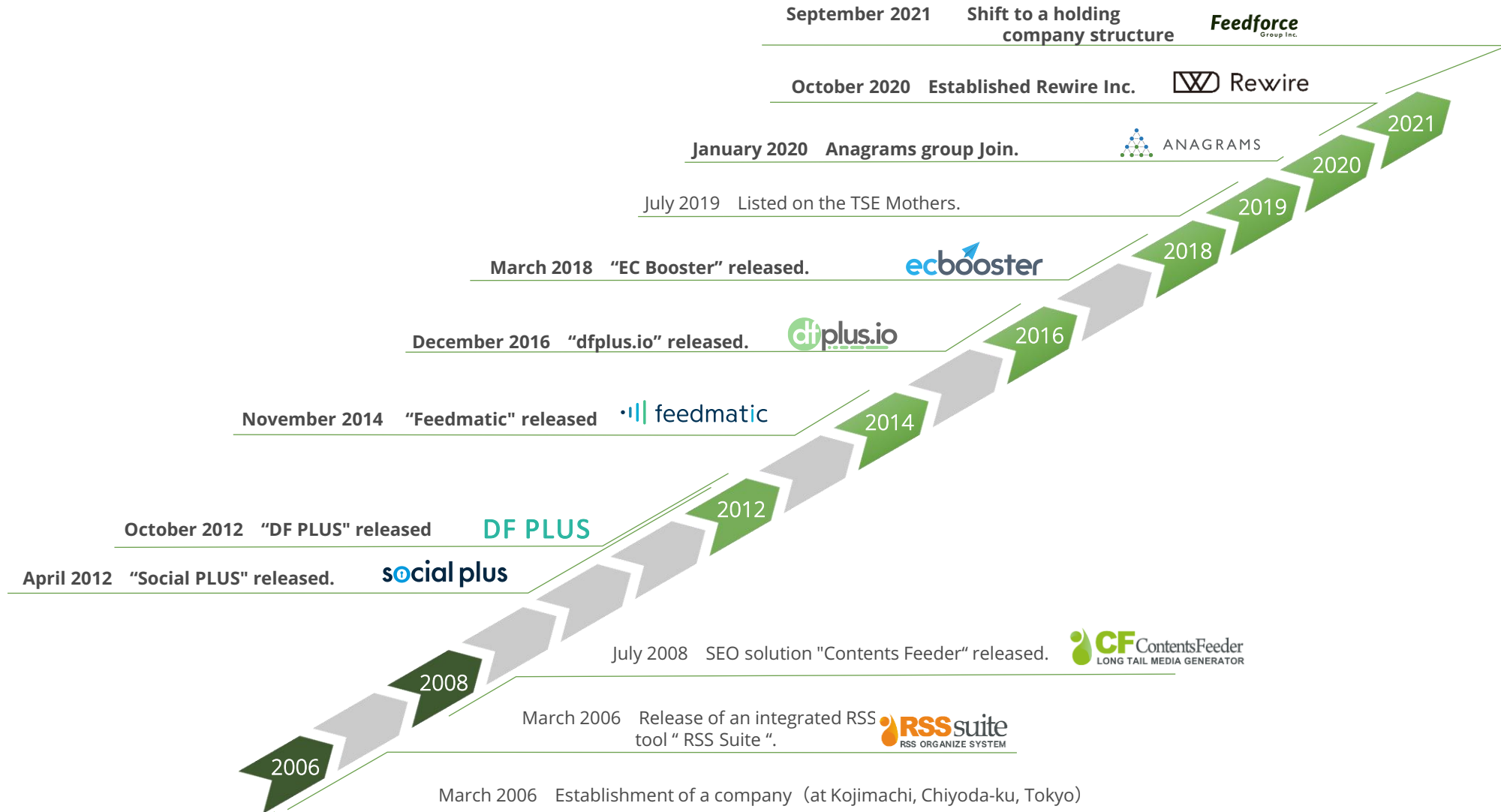
Financial Risks	
Risk	Countermeasures
Recovery of investment in new businesses	<p>Initial cost reduction by lean start-up method</p>
Impairment of goodwill, etc.	<p>Straight-line depreciation over 10 years or less</p>

**Take action even before the risk becomes apparent.**

# Appendix



# History



# Corporate Philosophy, Mission, and Sustainability Initiatives



Missions

**Make "working" wealthy.**

~Continuing to innovate in the B2B domain~



Corporate Philosophy

**Creating a more prosperous future through marketing.**

---Happy encounters create a more prosperous future.---

**Both companies have similar corporate philosophies and missions, fostering a common culture.**

**Transforming E-commerce and Retail through Digital Technology.**



**Transforming E-commerce and Retail through Digital Technology.**

**A society where small businesses that work creatively and have individuality shine through technology.**

**「働く」を豊かにする。**

*Feedforce Group Inc.*